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Background of the Class-Rate Investigation

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I

The Interstate Commerce Commission has instituted an investigation of interstate class rates, both intraterritorial and interterritorial, in Official, Southern, Southwestern, and Western Trunk-Line rate territories, which rate groups comprise the area in the United States east of the Rocky Mountains.

Class rates, the freight rates on which high-grade manufactured goods generally move, are higher in the Southwest than in any other part of the country; consequently the investigation offers the Southwest an opportunity to obtain a class-rate structure that will foster additional industry, which in turn will assist in bringing about a more diversified economic development in the region. According to the Interstate Commerce Commission, the broad objective of the procedure is to determine whether the present class-rate structure can be simplified and a lawful structure better suited to existing conditions can be established, and requires the consideration of whether a single rate level or fewer and more closely related rate levels than now exist in the country are practicable and lawful in the territory under examination.

The class-rate investigation is one of the most far-reaching examinations of freight rates yet announced by the Commission and may result in setting a pattern for fundamental changes in the economy of the South and West. It is therefore worthwhile to examine the events that preceded the announcement of the investigation and the forces that influenced it. The reaction of various groups to the announcement of the investigation is also interesting.

II

Along with the physical development of the railroads there has grown up a regionalized rate structure characterized by a separate and distinct level of class rates for each rate territory, rather than a single system of class rates to apply to the entire United States. Although the regionalized rate structure has had numerous adjustments, the present plan for each region generally retains the characteristics that adapted the structure to the economy of the region in the pioneer days of the railroads. In attempting to obtain a more favorable level of rates on manufactured goods, the South and West have found that the regionalized freight-rate structure has been woven into a pattern that does not easily adapt itself to alteration. Intermittent efforts at change have resulted in patching, rather than replacement, of the rate fabric.

Despite the fact that Joseph B. Eastman, the outstanding figure in the field of transportation regulation, has repeatedly mentioned the problem of the regionalized freight-rate structure,¹ the influence of this rate structure on the development of the nation has generally been given scant attention by writers on the subject of regional economic development.

Professor Malcolm Keir has written that undue favoritism was given eastern cities by rate adjustments which encourage raw materials to be drawn from outlying regions to the East and finished goods to be returned. He hastened to add, however, that the fixing of rates in this manner was a part of a necessary stage in the economic development of the United States and "criticism cannot justly be levelled against it."²

Another point of view held is that the establishment of freight rates on a mileage basis in the South (a situation likewise present in the West) by the Interstate Commerce Commission requires that concentration or localization of industrial activity in that area must be explained in terms of factors other than freight rates.³ Professor Odum in *Southern Regions* barely mentions the existence of the regionalized

¹ See 156 ICC 117, 134 (1929); 177 ICC 5, 118 (1931); 182 ICC 59, 72 (1932); *Regulation of Railroads*, Senate Document 119, 73d Congress, 2nd Session, p. 29 (1934); and Federal Coordinator of Transportation, *Freight Traffic Report*, Volume I, p. 68, Volume II, p. 66 (1935).

² Malcolm Keir, "Economic Factors in the Location of Manufacturing Industries," 97 *Annals of the American Academy of Political and Social Science* 90, 1921.

³ Roland B. Eutsler, "Transportation Developments and Economic and Industrial Changes," 153 *Annals of the American Academy of Political and Social Science* 209, 1931.

rate structure of the United States in a general statement two paragraphs in length.⁴

Many hold this view toward the regionalized rate structure: the low rates applying on raw materials produced in the South and West compensate for the high class rates available for the movement of finished goods produced in those regions.⁵ A comparison of the economic status of the South having freight rates that encourage raw material production with the economic well-being in the region north of the Ohio River having favorable rates on manufactured goods should indicate an answer to those having this view.

It remained for two occurrences, each independent of the other, in May, 1937, to bring into sharp focus the existence and implication of the regionalized freight-rate structure of the United States. One event was the filing of a complaint with the Interstate Commerce Commission by the Southern Governors' Conference, composed of the governors of Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee, asking for an adjustment of interterritorial rates applying from Southern Territory to Official Territory on a number of manufactured products.⁶ The other happening was the publication of *The Interterritorial Freight Rate Problem of the United States*, the result of a study made by the Transportation Economics Division of the Tennessee Valley Authority.⁷ This work is popularly known as the "Alldredge Report" because it was prepared under the supervision of J. Haden Alldredge, at that time principal transportation economist for the Tennessee Valley Authority.

The complaint of the Southern Governors' Conference asserted that

⁴ Howard W. Odum, *Southern Regions of the United States*, University of North Carolina Press, Chapel Hill, 1936, p. 367.

⁵ Carter Goodrich, *Migration and Economic Opportunity*, University of Pennsylvania Press, Philadelphia, 1936, p. 389.

⁶ *The State of Alabama, et al vs. The New York Central Railroad Company, et al*, I.C.C. Docket 27746. The amended list of products with which the complaint dealt included stoves and furnaces; stone; cast iron pipe fittings; iron body valves; fire hydrants; brass pipe fittings, cocks, valves; enameled iron or steel plumbers' goods, in carloads; papeteries, in less than carloads; cast iron hollowware; fireplace fixtures; conduit outlet boxes; junction boxes; switch boxes; outlet plates; boots and shoes; paper cones, cores, tubes; school tablets; drugs and medicines; metal furniture; mattresses; canned oysters, shrimp, vegetables; cordage and binder twine; excelsior and pads; and chinaware.

⁷ The document, published as House Document 264, 75th Congress, 1st Session, was prepared and submitted to the President pursuant to Executive Order 6161, June 8, 1933, which delegated to the Board of Directors of TVA certain powers to make studies granted to the President by sections 22 and 23 of the Tennessee Valley Authority Act of 1933.

the present rate structure seriously retards the economic development of the Southeast and requested that the Commission put into effect on the articles named in the complaint a basis of rates from Southern to Official Territory no higher than that applying within Official Territory on similar articles. It was also requested that the Commission declare the general principle that hereafter rates from Southern Territory to Official shall be made on levels not exceeding those applicable within Official Territory. How the governors fared with the complaint will be recounted presently.

The Tennessee Valley Authority study developed the thesis that the present regionalized freight-rate structure is a factor that inhibits the economic development of the United States. According to its logic, producers in the southern and western parts of the country are placed at a disadvantage in comparison with manufacturers in Official Territory because of a higher level of rates applying on finished goods produced in the South and West, whether the movement is within those regions or from them to Official Territory. The lower rates prevailing on manufactured products within Official Territory generally give producers in that area a distinct advantage in shipping to markets either in Official Territory or in other rate territories of the nation. At the same time, low rates applicable on raw materials and partly finished goods facilitate the drainage of raw materials from the South and West without leaving an adequate deposit of wealth to compensate for removal of the natural resources. The present rate structure aids in perpetuating a situation that resembles mercantilism very closely, with Official Territory taking the role of the mother country drawing cheap raw materials from and returning valuable finished products to the South and West, which occupy a position analogous to that of colonies.

By careful analysis of the items classified in the consolidated freight classification, approximately 16,000 in number, the TVA study disclosed that if the level of class rates within Official Territory is expressed by the index 100, the corresponding level within Southern becomes 139; Western Trunk-Line, 147; Mountain-Pacific, 171; and Southwestern, 175.* With the highest level of class rates in the country, it is small wonder that Southwestern Territory with approximately ten

* A detailed explanation of the procedure by which these levels were determined is found in House Document 264, 75th Congress, part II.

per cent of the country's population produces less than four per cent of the value of manufactures of the United States.⁹

In searching for the causes of high class rates the Authority's study disclosed that often the reason given for a high level of rates is that traffic density¹⁰ is less in outlying territories than in Official Territory; therefore costs of rail transportation are higher than in Official. An examination of the facts shows that in the early days of the railroads comparable cost figures were not kept, making ascertainment of comparative costs for those days impossible. From cost figures available in Interstate Commerce Commission records for recent years, however, it was ascertained that the cost of freight transportation is slightly less in several other rate territories than in Official. With Eastern District taken as 100, the cost of freight transportation in Southwestern Region was shown as 99.0 on a gross ton-mile basis and 97.4 on a loaded car-mile basis.¹¹ Apparently high class rates cannot be justified on the basis of cost. The most logical explanation is that the freight-rate structure of each territory evolved without any particular guidance; the leading characteristics developed in the rate structure of the Southwest are those of low commodity rates¹² on raw materials and high class rates on manufactured articles.

It was concluded in the Alldredge report that regional discrimination in freight rates constitutes "a form of discrimination for which no adequate corrective has heretofore been applied." Although Title I of the Interstate Commerce Act definitely makes discrimination illegal in a number of instances,¹³ the administration of the law has produced no effective rule dealing with discrimination between regions.

⁹ An excellent discussion of the effect of the rate problem on the Southwest is given by John H. Frederick, "The Inter-Territorial Freight-Rate Problem of the Southwest," *The Southwestern Social Science Quarterly*, December, 1939, pp. 260-267.

¹⁰ Traffic density is determined by the number of ton-miles of freight transported per mile of railroad. It is computed by dividing the total number of ton-miles handled by the number of miles of railroad operated.

¹¹ Eastern District and Southwestern Region are set up for convenience in assembling statistics. The former corresponds approximately with Official Territory, the latter with Southwestern Territory.

¹² A commodity rate is a special rate on a specific article, taking precedence over the application of the class basis; commodity rates usually care for competitive conditions and are in effect primarily to encourage the movement of bulky and less valuable traffic long distances.

¹³ Section 2 makes illegal discrimination between persons. Section 3 renders unlawful general discrimination between persons, companies, firms, corporations, associations, localities, ports, port districts, gateways, transit points, and descriptions of traffic. Section 4 deals with discrimination of a special kind which results from the charging of greater compensation for the transportation of passengers or property for shorter than for longer

Stating that there is probably more than one approach to a solution of the problem, the study suggested two possible changes in the law that would render regional discrimination unlawful. The first is that a definite rule be made that rates applying from one rate territory to another shall be no higher, mile for mile, than the level of similar rates within the territory to which the traffic is destined.¹⁴ The second suggestion is that section 3, Title I, of the Interstate Commerce Act be amended to make it apply to discrimination between regions and territories, in addition to amending section 15a of the Act to bring definitely within its purview the necessity for a national flow of commerce. As these suggestions were later followed in drafting legislation proposed to eliminate regional discrimination, it will be interesting to ascertain which of the two offers the better method of dealing with the problem.

The Alldredge report has been widely discussed by experts and laymen. The study has been quoted (and misquoted) by many advocating a more uniform rate structure for the United States. In offering the work in evidence before a congressional committee, a nationally-known transportation expert stated that it had become the standard work on the interterritorial freight-rate situation.¹⁵

Misquotation of the study has come about in this way: from the information that Southwestern Territory, for example, has an intrateritorial level of class rates 175 per cent of that applying within Official Territory, the generalization has sometimes been made that the entire rate level in the Southwest is 175 per cent of that in Official Territory. Obviously, such a general statement is not correct because much of the present traffic of the Southwest is composed of raw materials and semi-finished goods that move on low commodity rates. As explained previously, the 75 per cent disadvantage applies to class rates, on which manufactured goods of comparatively high value move.

hauls over the same line or route in the same direction. Section 13 cares for revenue discrimination resulting from preferential intrastate rates which adversely affect interstate commerce and the ability of the railroad transportation systems properly to render interstate service.

¹⁴ In traffic terminology known as a "destination rule."

¹⁵ C. E. Childe, Transportation Counsel, Omaha, Nebraska, said concerning the study, ". . . it is one of the keenest and perhaps most thorough analyses of the interterritorial freight-rate situation that has ever been compiled. I believe it can be accepted by this committee confidently as a textbook which accurately describes, so far as it goes, the present interterritorial relationships of both the South and the West versus the East." *Freight-Rate Discriminations*, Hearings before a Subcommittee of the Committee on Interstate Commerce, United States Senate, 76th Congress, 1st Session, 1939, p. 56.

Further attention on a national scale was drawn to the regionalized freight-rate structure in a report made by the National Emergency Council for President Roosevelt at his suggestion in the summer of 1938.¹⁶ The contents of this report, including the portion that posed the freight-rate problem, were discussed pro and con throughout the country, making many conscious of the freight-rate problem who were not previously aware that such a one existed.¹⁷

III

Public opinion on the interterritorial freight-rate problem had crystallized to such an extent that soon after the first session of the Seventy-sixth Congress convened in January, 1939, a number of measures were introduced pointing toward correction of the situation. These generally proposed one of two things: either to amend the Interstate Commerce Act with a destination rule, which would make it unlawful to charge higher rates from one rate territory into another than prevails within the territory to which the traffic is destined; or to place a general provision in the law that regional discrimination is illegal, leaving the formation of rules by which the statute is administered to the Interstate Commerce Commission. It will be remembered that the Alldredge report indicated both of these provisions as possible means of approach to solving the interterritorial freight-rate problem. In addition to one of the above proposals, many of the measures introduced would have the Interstate Commerce Commission launch an investigation of the effects of the present regionalized rate structure. Two senators from the Southwest, Senators Sheppard and Connally of Texas, were among those introducing measures dealing with the freight-rate problem.

Hearings on the measures introduced into the Senate were held before a subcommittee of the Committee on Interstate Commerce headed by Senator Lister Hill of Alabama.¹⁸ In the House of Representatives

¹⁶ National Emergency Council, *Report on Economic Conditions of the South*, Government Printing Office, Washington, 1938, pp. 58-59.

¹⁷ For a criticism of the material in the National Emergency Council report on the freight-rate problem see Fitzgerald Hall, President of both Nashville, Chattanooga, and St. Louis Railway and Southern States Industrial Council, *Comments on the Report of Economic Conditions of the South*, Nashville, Tennessee, September 7, 1938, directed to Lowell Mellett, Director, National Emergency Council, and Mellett's reply to Hall, dated September 19, 1938 (both mimeographed).

¹⁸ *Freight-Rate Discriminations*, *op. cit.*, on S. 126 introduced by McKellar, Tennessee; S. 137 introduced by Bankhead, Alabama; S. 158 and S.J. Res. 27 introduced by Hill, Alabama; S. 1483 introduced by Connally, Texas; S. 1758 and S. Res. 99 introduced by Pepper, Florida; and S. 1299 introduced by Sheppard, Texas.

hearings on freight-rate discriminations were held as a part of those on the general transportation bill before the House Committee on Interstate and Foreign Commerce, of which Clarence F. Lea, California, is chairman. Congressman Robert Ramspeck of Georgia said, in a statement introductory to the portion of the hearings devoted to the interterritorial freight-rate problem, that he is chairman of a group of southern and western congressmen organized informally for the purpose of bringing to the attention of the committee, and the country, the existing situation as to freight rates.¹⁹

The testimony given in both hearings reflected two widely divergent points of view. One viewpoint held that rates on traffic moving in the South and West were reasonable and that no action was necessary since the Interstate Commerce Commission already possessed under the law full power to remove discrimination that arises.²⁰ The other viewpoint was that high freight rates applying on manufactured goods in the South and West discourage the movement of manufactured goods within and from those regions. This limits industrial growth in the South and West thus retarding the economic development of the entire United States. Consequently, many of the witnesses favoring the latter point of view recommended that action should be taken to remedy the situation.²¹

In February, 1939, while the hearings were in progress before the House Committee, two happenings occurred that probably had bearing on the announcement of the class-rate investigation. The Board of Directors of the Tennessee Valley Authority transmitted to the President another study on the interterritorial freight-rate problem, made under Mr. Alldredge's direction, entitled *Supplemental Phases of the Interterritorial Freight Rate Problem of the United States*.²² Almost be-

¹⁹ *Omnibus Transportation Bill*, Hearings before the Committee on Interstate and Foreign Commerce, House of Representatives, 76th Congress, 1st Session, 1939, p. 691 ff.

²⁰ A typical expression of this attitude may be found in *Freight-Rate Discriminations*, *op. cit.*, pp. 488-504, in which H. N. Roberts, Chairman, Texas-Louisiana Freight Bureau, testified that the heavy volume of freight movement in the Southwest consists of petroleum and its products, cotton, grain, lumber, road-building materials, cement, plaster, cattle, horses, mules, and sulphur, on many of which the rate scales are lower than in any other section of the United States. He admitted class rates were comparatively high in the Southwest, but stated this was not important as little traffic moved on them compared with that moving on commodity rates.

²¹ For this point of view see *ibid.*, pp. 7-81, the testimony of C. E. Childe, Omaha, Nebraska; and pp. 325-328, the testimony of John H. Goff, Knoxville, Tenn.

²² Published as House Document 271, 76th Congress, 1st Session.

fore the study could reach the executive desk, President Roosevelt nominated Mr. Alldredge to replace Commissioner Frank McManamy as a member of the Interstate Commerce Commission.²³

In the supplemental study an additional phase of the interterritorial freight-rate problem was explored: it was shown that shippers in the industrialized portion of Eastern Canada have available a lower level of class rates, distance considered, on manufactured goods into Official Territory than is available for moving similar goods from the South and the West into Official Territory. The study indicated that costs were probably no less on Canadian railways than on railroads in the southern and western parts of the United States; so the difference in rate levels could not be explained on a cost basis.

Hard on the heels of these events came the examiner's proposed report in the *Southern Governors' Case* prepared by Commissioner Lee and Examiner Corcoran. Generally, the report favored the plea of the southern governors by recommending that the Interstate Commerce Commission allow a level of rates from Southern to Official Territory no higher than that within Official on a number of the articles with which the case dealt.²⁴ As the decision gave rate equality to only a few articles of traffic, the case did not establish a general rule that interterritorial rates from the South to the North should be on a basis equal to that within Official Territory. It should be stressed, therefore, that the decision by the Interstate Commerce Commission in the case brought by the southern governors did not give either the South or West freight-rate equality generally with Official Territory.

From information obtained in the hearings on freight-rate discriminations, Senator Hill and Congressman Ramspeck introduced on March 22, 1939, S. J. Res. 99, which provided that the Interstate Commerce Commission investigate, upon request, rates on manufactured goods within and between rate territories of the United States and enter orders for removing unlawful rates which may be found to exist. The resolution also proposed to amend Section 3(1) of the Interstate Commerce Act to make illegal discrimination against "region, district, territory."

²³ Mr. Alldredge took the oath of office May 1, 1939. His grasp of transportation matters is indicated in *Nomination of J. Haden Alldredge to be a Member of the Interstate Commerce Commission*, Hearing before a Subcommittee of the Committee on Interstate Commerce, United States Senate, 76th Congress, 1st Session, 1939.

²⁴ On November 22, 1939, the Interstate Commerce Commission handed down a decision by a vote of five to four that was on the whole favorable to the southern governors. Two commissioners, one of which was Mr. Alldredge, did not participate in the case.

During the course of the hearings the destination rule as a sound legislative remedy was found inferior to law establishing the general policy, to be carried out by the Interstate Commerce Commission, that regional discrimination is unlawful.

The Omnibus Transportation Bill, S. 2009, as introduced March 30, 1939, by Senator Wheeler of Montana for himself and Senator Truman of Missouri, did not include either of the provisions of S. J. Res. 99. However, after being revised by the Senate Committee on Interstate Commerce to which it had been referred, section 6 of the bill included a provision making discrimination against "region, district, territory" unlawful and also provided in section 52 for an investigation of rates on manufactured goods and raw materials.²⁵ S. 2009, upon being passed by the Senate on May 25, 1939, was sent to the House, which substituted an entirely new bill.²⁶

The House substitute for S. 2009 as reported out by the House Committee on Interstate and Foreign Commerce carried in section 6 the terms of S. J. Res. 99.²⁷ On the floor of the House, amendments were adopted concerning export rates on agricultural products and broadening the scope of the investigation of rates that the Interstate Commerce Commission was directed to undertake. Congressman Marvin Jones of Texas, Chairman of the House Committee on Agriculture, offered an amendment to section 6 of the House bill that declared it to be the policy of Congress that shippers of wheat, cotton, and other farm commodities for export should have the same relative advantage of reduced rates as that enjoyed by industrial products for export. This amendment also proposed that the Interstate Commerce Commission be directed to institute such investigations as necessary to carry out such policy. Congressman Robert A. Green of Florida offered an amendment to Mr. Jones' amendment to include therein citrus fruits and vegetables, but after some discussion the wording was revised to include all farm commodities. Mr. Jones' revised amendment then received a favorable

²⁵ Senator Wheeler, Chairman, Senate Committee on Interstate Commerce, stated that both of these provisions came from S. J. Res. 99, with the authorized investigation of rates broadened by the committee to include raw materials. Senate Report 433, *Transportation Act of 1939*, 76th Congress, 1st Session, pp. 11 and 37.

²⁶ The Senate version was a codification of the Interstate Commerce Act, while the House Act proposed to amend the existing law.

²⁷ Representative Lea, Chairman, House Committee on Interstate and Foreign Commerce, indicated that the bill "embodies the Ramspeck Resolution," meaning S. J. Res. 99. House Report 1217, *Transportation Act of 1939*, 76th Congress, 1st Session, p. 7.

vote. The House measure was further altered by an amendment offered by Representative William M. Whittington of Mississippi directing the Interstate Commerce Commission to investigate rates on agricultural commodities and raw materials. The bill already provided for investigation of rates on manufactured products.

Desire to give adequate protection to the farmer was apparently behind these amendments offered by House members representing sections in which agriculture affords the chief means of livelihood. Although there was some opposition on the floor of the House to the changes on the ground that a lower level of rates on manufactured goods is the prime need of the sections now predominantly agricultural, each of the amendments passed by a substantial margin.²⁸

The House bill was passed on July 26, 1939, and on the following day Senate conferees on S. 2009 were appointed. On July 29, the day on which the House members of the conference committee were designated, and three days after the House version was passed, the Interstate Commerce Commission announced Docket 28300, investigation of class rates in the portion of the United States east of the Rocky Mountains, and related dockets.

The conference committee took no action during the second session of the Seventy-sixth Congress but reported out to the House a compromise measure on April 26, 1940, during the third session, which included a section²⁹ designed to amend Section 3(1) of the Interstate Commerce Act to make illegal unjust discrimination against "region, district, territory" and instructing and authorizing the Interstate Commerce Commission to make an investigation of rates on manufactured products, agricultural commodities, and raw materials. The Jones amendment, calling for export rates on agricultural products to be made in the same relation to domestic rates as the export rates on manufactured goods bear to the domestic rates, was omitted from the bill drawn up in conference. The conference committee indicated that existing law together with the provisions embodied in the conference measure afford remedies for what is attempted to be accomplished by the Jones amendment.³⁰ Deletion of the Jones amendment together

²⁸ Record of the debate in which the amendments were adopted is found in the *Congressional Record*, July 24, 1939, pp. 9868-9881.

²⁹ House Report 2016, *Transportation Act of 1940*, 76th Congress, 3rd Session, p. 6.

³⁰ *Ibid.*, p. 63.

with two other provisions,⁸¹ caused the House, on the motion of Representative James W. Wadsworth of New York, to recommit the bill to the conference committee on May 9, 1940, with definite instructions that the managers on the part of the House insist on the inclusion in the report of the committee the three provisions omitted by the conferees.⁸²

Although a mandate to undertake an investigation of rates had not yet been written into the statutes, the Interstate Commerce Commission announced the class-rate investigation subsequent to the occurrence of events described above. The fact that both chambers of Congress indicated the desirability of a rate investigation was probably the factor carrying the most weight in inspiring the Commission to give close attention to the matter.

The reaction of various groups in the South and West toward the announcement of I. C. C. Docket 28300 corresponds closely to the attitudes expressed in the testimony received by the House Committee and the Senate Subcommittee on regional freight-rate discriminations. Although the investigation was announced to deal only with the class-rate structure, the opinion has been expressed that changes in the class-rate structure will result in raising commodity rates on raw materials and semi-finished goods produced in the South and will prove extremely harmful to the economy of the region.⁸³ It is possible that these predictions come from the members of a group that have favorable commodity rates on the heavy, unfinished goods now moving and fear that these rates might be increased as a result of adjustments in the class rates.

There is another group expressing an opinion diametrically opposed to the attitude just mentioned. This group believes that an adjustment of class rates in the South and West will allow new industry to develop in these two regions which will tend to balance the present raw material

⁸¹ These two provisions: 1) The Wadsworth amendment, indicating that the Interstate Commerce Commission shall permit each type of carrier to reduce rates so long as such rates maintain a compensatory return to the carrier; 2) The Harrington amendment, which protected rail employees against loss of employment in cases of consolidation and abandonment of rail lines.

⁸² *Congressional Record*, May 9, 1940, p. 8986.

⁸³ Expression typical of the attitude of this group is given by C. E. Widell, "Freight Rates with a Southern Accent," *Nation's Business*, Chamber of Commerce of the United States, January, 1940, pp. 25 ff.

economy and will eventually result in increased activity in all lines of economic endeavor throughout the nation.³⁴

Regardless of which of the conflicting views on the potentialities of this class-rate investigation is correct, the findings of the Interstate Commerce Commission in the case, although they will probably not be framed until several years hence because of the enormous amount of work involved, will leave an indelible impression on the future economic development of the entire United States.

³⁴ The Southern Traffic League, Inc., of Charlotte, North Carolina, is an organization of shippers that apparently hold this view.

Negro Rural Fertility Ratios in the Mississippi Delta¹

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A group of counties in the Mississippi Delta furnish a striking exception to the generally high fertility of the rural-farm Negroes of the South. In 19 counties,² most of which immediately adjoin the lower Mississippi River in Arkansas, Mississippi, and Louisiana, the fertility of the Negro rural-farm population drops to comparatively low levels. In the year 1930, the ratio of children under 5 per 1,000 women 20-44 among rural-farm Negroes was 885 in the entire United States, 725 in Mississippi, 768 in Louisiana, and 718 in Arkansas,³ but only 518 in this group of counties. The highest ratio in the 19 counties was only 603; the lowest was 437. In some counties the ratio of children to women, even after correction for underenumeration, was approximately at replacement levels or even below.⁴

If the comparatively low Negro fertility of this tri-state area in the deep South is real, *i.e.*, is not due merely to defective census and vital

¹ Data used are taken from official publications of the U. S. Bureau of the Census unless otherwise noted.

² Seven in Arkansas (Chicot, Phillips, Crittenden, Mississippi, Desha, Lincoln, Jefferson); eight in Mississippi (Tunica, Coahoma, Quitman, Bolivar, Washington, Humphreys, Sharkey, Issaquena); four in Louisiana (East Carroll, Madison, Tensas, Concordia). Two of these, Lincoln and Jefferson in Arkansas, are not on the Mississippi River, but are included here because their Negro rural-farm fertility ratios were less than 600.

³ No correction has been made for underenumeration of children under 5. P. K. Whelpton suggests a correction by increasing the reported number of Negro children under 5 in the Southern States by 13.5 per cent. "Geographic and Economic Differentials in Fertility," *The Annals of The American Academy of Political and Social Science*, November, 1936, pp. 37-55. The ratios given are actually for the colored population, but in these areas this is virtually synonymous with "Negro."

⁴ Based on unpublished Life Tables supplied by the Metropolitan Life Insurance Company, the replacement ratio for the colored population in 1930 was 491 children under 5 per 1,000 women 20-44 years of age.

statistics, it would seem to merit detailed field study to determine the factors responsible for it. The primary purpose of the present analysis is to determine whether or not real differences exist between these counties and the surrounding areas; it makes no attempt to determine the actual level of fertility in the counties under consideration.

These low fertility counties, most of which border on both sides of the Mississippi River, will be designated as Group A. The 27 counties bordering the counties in Group A, both east and west, will be used as a control group and designated as Group B.⁵ All the counties in both groups are in areas of intensive cotton culture with high rates of tenancy and large proportions of sharecroppers. In most of them Negroes comprise at least one-half of the rural-farm population; in 9 of them, 80 per cent or more. A large part of the agriculture is carried on under the plantation system and women and children take their places in the fields for part of the farm work. Standards of medical care and sanitation are low; the educational system is poor, and illiteracy flourishes.

The median rural-farm fertility ratio for Negroes in Group A counties in 1930 was 518; in Group B, 631 (Table 1). The highest ratio in Group A was 603; the lowest, 437. Census enumerators in these areas cope with numerous difficulties which interfere with an accurate count of all persons living there. The general tendency to enumerate only part of the children under 5 years of age is accentuated in rural areas with large Negro populations and the number of children as enumerated may be too low by one-seventh or more.⁶ If that is the case, then the fertility ratios would be higher than those given in Table 1. However, there is no apparent reason why the underenumeration of young children should be much greater in Group A than in Group B. A uniform correction for underenumeration would obviously do nothing to eliminate the differences between the two groups of counties, as shown in Table 1, and there is no satisfactory basis for making differential corrections. The fact that the low fertility area comprises portions of three states and does not coincide with any area set up by the Bureau of the Census for enumeration purposes makes it unlikely that underenumeration is a major factor in the differences observed. Moreover, the reported figures for rural Negroes in other parts of these same states

⁵ Thirteen in Arkansas (Poinsett, Cross, St. Francis, Lee, Arkansas, Ashley, Drew, Cleveland, Grant, Pulaski, Lonoke, Prairie, Monroe); nine in Mississippi, (De Soto, Tate, Panola, Tallahatchie, La Flore, Holmes, Yazoo, Warren, Sunflower); five in Louisiana (West Carroll, Richland, Franklin, Catahoula, Avoyelles).

⁶ Whelpton, P. K., *op. cit.*

TABLE 1
FERTILITY RATIOS, INFANT MORTALITY RATES, STILLBIRTH RATES AND
RELATED DATA FOR TWO GROUPS OF SOUTHERN COUNTIES

ITEM	Weighted Median		Range	
	Group A	Group B	Group A	Group B
Fertility Ratios, 1930 ¹				
Negro rural farm.....	518	631	437-603	614-1030
Negro rural nonfarm.....	237	313	156-435	187-760
White rural farm.....	886	866	671-948	710-1031
White rural nonfarm.....	448	570	399-652	388-758
TOTAL.....	500	613	404-636	365-824
Fertility Ratios, 1920 ²	668	836	576-838	536-1157
Negro birth rate 1929-31 ³	18	21*	15-28	15-30
Negro infant mortality rate, 1929-31.....	67	74*	29-155	44-128
Negro stillbirths per 100 live births, 1929-31.....	8	7*	5.2-10.1	4.6-12.5
Ratio: Negro births 1929 per 100 children under 1, 1930 ⁴	89	93*	74-155	46-169
Ratio: Children 5-9 per 100 children under 5, total rural-farm, 1930.....	110	104	102-123	97-122
Ratio: Children under 1 per 100 children under 5, total rural-farm, 1930.....	18	19	16-22	17-21
Percent Negro families with no children under 10, 1930.....	64	57	57-67	40-71
Percent Negro females over 15 who are married, 1930.....	65	64	61-72	54-70
Percent Negro workers in agriculture who are women, 1930.....	30	33	13-42	8-55
Percent Negro farm operators who are sharecroppers, 1930.....	68	61	32-86	20-80
Percent of rural-farm population who are Negroes, 1930.....	80	65	42-90	11-88
Percent rural-farm families with no children under 10.....	57	50	46-62	41-57
Negro population, 1930				
Rural farm.....	318,770	328,798		
Rural nonfarm.....	40,410	40,662		
Number of counties.....	19	27		

¹ Ratio of children under 5 per 1000 women 20-44 years of age.

² Ratio of children under 7 per 1000 women 18-44 years of age.

³ Excluding cities of 10,000 or over.

⁴ Births during the calendar year 1929 as reported; children under 1 as enumerated April 1, 1930.

*Excluding Grant County (Negro births not given separately.)

should be subject to much the same corrections for underenumeration, but the reported fertility ratios are considerably higher than those in either Group A or Group B counties. The extent of the differences between the ratios for Negroes and whites in these counties suggests further that even as between the races underenumeration may not be the primary factor in the differences observed.

An examination of the relationship between the number of reported births in 1929 and the number of children under 1 year of age enumerated by the Census of 1930 throws further light on the question of underenumeration. If both figures are correct, and there is no net migration of children, they should differ only by the mortality during the first

year of life.⁷ The number of children under 1 year of age is usually less than 95 per cent as great as the number of births during the preceding year. In Group A, however, the ratio varies from 74 to 155 per cent; and in Group B, from 46 to 169 per cent. But in 9 of the 19 counties in Group A and in 16 of the 27 counties in Group B, the number of enumerated Negro children under 1 year of age in 1930 was greater than the number of Negro births reported in 1929.⁸ In some of the counties the number of children enumerated was considerably less than the number of births during the preceding year. Changes in the number of births and deaths suggests that the high rate of mobility which characterizes these counties may be partially responsible for the differences noted. Data for 1930 are not available on a county basis, but the 1935 Census shows that in Group A counties about 52 per cent of all tenants had been on their farms one year or less, and in Group B the percentage was 53. It is probable that similarly high mobility rates prevailed in 1930, but most of this movement takes place within the limits of a county. In any event, migration cannot explain the wide variations in the ratio of number of births in the preceding year to children less than 1 year old enumerated in the census. Both under-registration of births and underenumeration of children less than 1 year old appear to be involved in producing the discrepancies noted. However, they do not explain the fertility differentials between the two groups of counties, since there is no evidence of consistently greater underenumeration or under-registration in Group A counties than in Group B counties.

A suggestion of slightly greater underenumeration of children under 5 in Group A counties is given by a comparison of the age groups under 5 and 5-9 in the total rural-farm population, for ordinarily in an increasing population there are more children under 5 than 5-9 years old. In all counties in Group A there are more children in the age class 5-9 than in that under 5, but in 3 of the 27 counties in Group B there are more in the class under 5 than in that 5-9. The average excess of

⁷ Actually, births for the calendar year 1929 are compared with survivors of births during the period April 1, 1929, to March 31, 1930, but this should have only a slight effect on the comparison.

⁸ The number of births classified by residence of the mother probably would not differ much from the number reported. For instance, the number of Negro births in 1929 in Catahoula Parish, Louisiana, was reported as 76 (in 1930 it was 75), but in 1930 the number of Negro children under 1 was reported as 119. Similarly, in Lincoln County, Arkansas, the number of Negro births reported was 222 in 1929 and 233 in 1930, but the census enumeration showed 282 children less than 1 year of age. In 1936, allocation by residence increased the total number of births in this county by only about 6 percent.

5-9 year olds compared with children under 5 was 12 per cent in Group A and 6 per cent in Group B. Whether the difference is due to a slightly greater decline in fertility from 1920-24 to 1925-29 in Group A counties or to greater underenumeration of children under 5, or to differences in out-migration cannot be determined from the data at hand.

Some additional information on this point may be gained from a comparison of the enumerated children under 1 year of age and those under 5 years of age. The fact that in the majority of cases less than 20 per cent of all children under 5 are less than 1 year of age may indicate a declining birth rate or a considerable underenumeration of the very young children. However, these figures give no indication of significant differences between Group A and Group B with regard to underenumeration of very young children.

TABLE 2
COUNTIES CLASSIFIED BY PER CENT RURAL-FARM CHILDREN
UNDER 1 ARE OF THOSE UNDER 5 YEARS OLD, 1930

<i>Per cent</i>	<i>Number of counties</i>	
	<i>Group A</i>	<i>Group B</i>
16	1	..
17	1	2
18	7	7
19	3	7
20	5	5
21	1	6
22	1	..

Differential infant mortality rates might have some bearing on comparisons based primarily on the ratio of children under 5 to women 20-44. However, infant mortality rates are subject to considerable errors in these areas. Failure to report the death of a very young infant probably also involves failure to report its birth. There appears to be no reason why the reliability of the rates in Group A and Group B counties should differ greatly. Since the average number of infant deaths per 1,000 births was 67 in Group A and 74 in Group B, it does not seem probable that differentials in infant mortality are of major significance in connection with the differentials in fertility.

The age composition of the group of women in the childbearing ages affects fertility rates. If a large proportion of all the women 20-44 years of age are in the younger brackets, the computed ratio may be greater

than if a large proportion are in the older brackets, although age-specific fertility may actually be the same. Hence, the effect of differences in age was eliminated through standardization,⁹ and it was found that they could hardly have accounted for differences of more than 5 per cent in the fertility ratios of counties in Groups A and B. In many instances when counties with the lowest ratios were compared with those having the highest ratios, the differences in the age composition of married women accounted for differences of less than 1 per cent.

The fertility ratios were computed by relating the number of children under 5 years of age to the number of women 20-44 years of age without regard to their marital status. A significantly higher percentage of married women at these ages in one of these groups of counties might account for a larger fertility ratio, but comparison between Group A and Group B counties suggests that this factor is of only minor significance. Data are available only for all Negro women over 15 years of age in these counties, urban as well as rural. Since these counties are predominantly rural the comparison made on this basis is pertinent. In Group A, between 61 and 72 per cent of the Negro women 15 years of age and over were married; in Group B, the range was from 54 to 70. The averages were respectively 65 and 64. These figures do not contribute to an explanation of differences between the two groups of counties. Similarly, data concerning marital status of all rural-farm women, white and colored, reveal no important differences between counties in Groups A and B.

The factors considered up to this point have indicated that the available statistics may be inaccurate, but have not indicated any source of error which could reasonably be presumed to produce the comparatively low fertility of the 19 counties designated as Group A. Some indication of the probable validity of the fertility differences is found in their persistence from 1920 to 1930. Due to deficiencies in available data, comparisons can be made only for the total population of these counties, and must be based on a ratio of children under 7 years of age per 1,000 women 18 to 44. The differences observed in 1930 seems to have been in existence in 1920, and to about the same degree. The average value of the 1920 ratios was 668 in Group A and 836 in Group B—an excess of 25 per cent in favor of Group B. In 1930 the ratios of children under 5 years of age per 1,000 women aged 20-44 for the total

⁹ For method of standardization, see *Population Statistics*, I. National Data, National Resources Committee, Oct., 1937, p. 40, footnote.

population of these counties were 500 in Group A and 613 in Group B. The excess in favor of Group B is 23 per cent, very similar to that found in 1920. The fact that these differences seem to have existed in 1920 lends further support to the inference that the difference observed in 1930 is a significant, not a spurious, one.

The differences in fertility manifest themselves in differences in the proportion of families with no children under 10 years of age. In Group A, 64 per cent of the Negro families report no children under 10; in Group B, the corresponding figure is 57 per cent. Although the number of children under 10 years of age is secured from the same source as the number under 5 years of age and is therefore subject to the same possibilities of error, these figures do suggest that the proportion of childless women may be higher in Group A than in Group B. Whatever factors accounted for the greater degree of sterility would thus account in part for the differences in fertility ratios observed.

The statistics on median size of family for rural farm Negroes in 1930 corroborate the picture given by the preceding analysis of fertility data. In Group A, the low fertility area, two-thirds of the counties had a median family size of less than 3.00, and one-third from 3.00 to 3.25. In Group B, the higher fertility area, no county had a median family size of less than 3.00, while in two-thirds of the counties the median size ranged from 3.00 to 3.50, and in one-third it was between 3.50 to 5.25. The range in Group A counties was from 2.77 to 3.20, in Group B counties, it was from 3.00 to 5.25.

The prevalence of venereal infection may be related to these differences and may be a factor in the degree of sterility. No valid measures of the incidence of venereal disease are available for these counties,¹⁰ but since there is a relationship between venereal disease and stillbirths, the stillbirth rate may be of value in this connection. The difficulties

¹⁰ Wasserman tests of Negroes in Tensas Parish, Louisiana (Group A), gave 23 per cent positive reactions among the men and 31 per cent among the women. In Catahoula Parish, Louisiana (Group B), the proportion of positives was 27 per cent for men and 33 per cent for women. In Avoyelles Parish, also in Group B, the corresponding proportions were 26 and 14. However, the persons taking the tests were not a random sample of the population of any county, but included persons handling food and in the service trades, cases referred by physicians, and persons making the tests. In the two parishes with a fairly large number of cases there was no indication of differentials between the parish in Group A and in one in Group B; the proportion of positives in the 3,184 tests in Tensas Parish (Group A) was 27 per cent; the proportion in the 1,188 tests in Catahoula Parish (Group B) was 30 per cent. These data were furnished through the courtesy of the parish health units.

in the way of securing accurate counts of the number of stillbirths are considerable in an area where a large proportion of all births occur without a physician's presence. Whatever the errors in reported rates may be, there is no reason to assume that they would be more numerous or more serious in counties in Group A than in those in Group B; and whatever the true level may be, the differences are of major interest here. The number of stillbirths per 1,000 live births in the total Negro population during the 3 years, 1929-31, was 80 in Group A counties and 73 in Group B counties. This rate was 80 or over in 11 of the 19 counties in Group A, but in only 8 of the 27 counties in Group B. These rates appear very low considering the sanitary, dietary, and health conditions of the areas. If the greater prevalence of venereal disease is the most important factor involved in the lower fertility of Group A, these stillbirth rates give only slight evidence of it. It is difficult to see why venereal disease should be more prevalent in the counties of Group A than in the immediately adjoining counties of Group B, or in either group of counties than in the remainder of the three States in which the counties are located.

Employment of women outside the home is frequently assumed to be related to lowered fertility rates. In the areas being compared it is customary for women to work in the fields, especially during the peak employment. The number of Negro women reporting themselves as gainful workers in agriculture is almost identical in Group A and Group B counties. Nor is there any difference between these two groups with respect to the proportion of women among all Negro workers engaged in agriculture. Among these Negro farm families it is essential that all hands be available for field work when needed, and the absence of any family member may seriously reduce the total family income for the year. It has been suggested that this circumstance may lead to active efforts to avoid births during the busy seasons, and may thus also interfere with births at other times during the year. Whether or not there is any basis for this suggestion cannot be determined from available data, but it would seem to be an equally prevalent factor in any area devoted to cotton culture.¹¹

¹¹ There is little information available on the practice of contraception and the incidence of abortions, among the tenants of the South, either Negro or white. In her study of white tenant mothers of the South, Margaret J. Hagood found that 12 per cent of the 129 mothers in the Piedmont and 28 per cent of the 125 mothers in the Deep South (Georgia, Alabama, Mississippi, and Louisiana) practiced contraception. Several of the mothers of the Deep South told her of induced abortions. See: Margaret Jarman Hagood, *Mothers of*

The counties in Group A are characterized by a large proportion of Negroes in the rural-farm population and by the fact that a large proportion of the Negro farmers are sharecroppers, in both cases exceeding the counties in Group B. Whereas in Group A the proportion of Negroes in the farm population was 80, ranging from 42 to 90 in the several counties, it was between 11 and 88 in Group B, the average being 65. There was wide variation among the counties with respect to the proportion of Negro farmers who were sharecroppers, but in Group A the average was 68, whereas in Group B, it was 61. Just what bearing these facts have upon fertility ratios is not clear, nor is it entirely clear why fertility ratios in this area should be lower than in other areas. One aspect of the agricultural organization which suggests itself is the advantage to a family of having persons capable of taking part in field work and the disadvantage of dependents. How much influence is to be attributed to such rationalized considerations is open to some question; it does not seem likely that it would be large. If it were, the rural nonfarm population should include many families with small children not yet able to take part in the farm work. However, as was shown in Table 1, the fertility ratio for the rural nonfarm population is much below that for the farm population in both Group A and Group B counties.

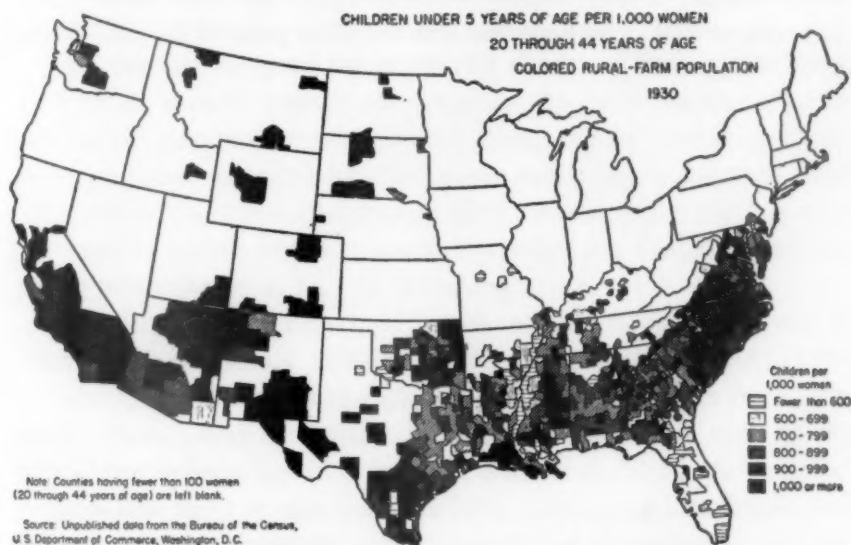
Other data from these areas also indicate a small number of children. The Consumer-Purchases Study of the Bureau of Home Economics of the United States Department of Agriculture found smaller families among Negro farm operators in Le Flore and Washington Counties, Mississippi, than among those studied in 7 Georgia and 2 South Carolina Counties.¹² The average number of year-equivalent persons was 4.5 in the Mississippi Counties, but 5.2 and 6.8 in the South Carolina and Georgia Counties, respectively. One-fourth of the families in the group in Mississippi consisted only of husband and wife, but only 17 per cent of those in the Georgia and 7 per cent of those in the South Carolina samples were of that type. Similarly, a recent study of Negro farm laborers in Arkansas Cotton Counties reported a comparatively low ratio of children under 5 per 1,000 women 20-44 years old, 484

the South, Chapel Hill, The University of North Carolina Press, 1939, pp. 237-238. It does not appear probable that the low fertility of the Group A counties, if it proves to be real, is due solely, or even primarily, to the deliberate control of contraception, or to abortions. However, these factors may be responsible for a part of the differentials.

¹² Preliminary mimeograph releases dated 11/22/37, 12/13/37, and 1/17/38.

in the families of these laborers.¹³ According to a study of Isabella Wilson in Chicot County, Arkansas, Negro farm families in that part of the Delta are comparatively small.¹⁴ In a recent survey in Tensas Parish, Louisiana, the average size of Negro farm families was likewise found to be small.¹⁵ These recent surveys give some corroboration to the census figures indicating low fertility ratios among the Negro groups of these areas.

In summary, it has been shown that in an area of good lands, a highly commercialized form of agriculture, and a low plane of living, the fertility ratios of the Negro population are exceptionally low. The differences between the group of counties at the center of this area and those surrounding it seem to be real, *i.e.*, not to be explicable by



the admittedly serious defects in the available statistics. Underenumeration, differences in the age composition of mothers, infant mortality, or stillbirths do not explain the differentials, and their apparent persistence from 1920 to 1930. These factors also seem to be insufficient to explain the differences between the fertility of the Negro rural non-farm population in the two groups of counties, nor do they explain why

¹³ *Farm Population and Rural Life Activities*, Vol. XIII, No. 2, April 15, 1939, pp. 1-11.

¹⁴ *Sickness and Medical Care Among the Negro Population in a Delta Area of Arkansas*, by Isabella C. Wilson, Arkansas Agricultural Experiment Station, Bulletin No. 372, Fairfield, Arkansas, March, 1939, 36 pp.

¹⁵ Homer Hitt—unpublished manuscript.

these nonfarm fertility ratios are among the lowest fertility ratios reported for any population group in the United States. It is not clear from available information that this area differs significantly from other areas where Negroes compose a large share of the population with respect to dietary standards, health, educational levels, urban influence, duration of marriage or family organization. It may be that counties in Group B receive more migrants from higher fertility areas than those in Group A and are thus more affected by outside influences which persist for some time. The existence of this comparatively low fertility among the rural Negroes of a part of the South would seem to warrant careful field studies to determine the effects of standards of living, the possible influence of contraceptive practices, dietary deficiencies, venereal disease, or other factors in accounting for the differentials within this area, as well as between this area and other parts of the rural South.

Legislation On Marking Ballots

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The ballot law of every state contains a section on how to mark the paper ballot. This section, brief in some states and detailed in others, covers the following points: the method of marking, materials to be used, the use of the write-in privilege and of pasters, and instructions to be printed on the ballot. For this study, which is limited to general elections, the laws and the ballots of all the forty-eight states have been examined.

Two methods are used for expressing the vote:¹ first, a cross mark (X) or its variant opposite the name of the preferred candidate or referendum proposition; and, second, lining out or scratching names or propositions not voted for. Thirty-one states specify the cross mark (X); seven allow use of the cross mark or a variant;² three require the voter to scratch out the names or answers not favored;³ and five permit either the cross (X) or scratching.⁴

An example of the form used in the majority of states is found in Ohio, where the words, "USE X ONLY IN MARKING BALLOT" are printed across the top of each ballot. To prevent voters from identifying their ballots by the use of irregular cross marks, some of the states have defined the cross mark in their laws. Utah, for example, requires that the two straight lines be as nearly equal in length and cross each other as near the center of each line as practicable; but the law also provides that no ballot shall be rejected for an irregularity in the mark unless the marks

. . . show an attempt on the part of one or more persons to so mark their ballots that it can be determined that the intent of said person or persons is to show concerted action on the part of a group in designating their ballots. . . .⁵

¹ A third way of expressing the vote is by the use of the voting machine. Since New York and Rhode Island provide for statewide use of the machine at all general elections, these two states are omitted from this study.

² Missouri, New Jersey, North Carolina, North Dakota, Tennessee, Utah, and Virginia.

³ Arkansas, South Carolina, and Texas.

⁴ Alabama, Delaware, Georgia, Idaho, and West Virginia.

⁵ *Utah General Election Laws*, 1938, ed., 25-6-19, 25-6-21.

The Missouri definition requires that the crossing of the two lines be within the voting space.⁶ On the other hand, New Jersey allows "a cross (X) or plus (+)"; and North Carolina, "a cross (X) or a check mark, or other clear indicative mark." In 1936 Virginia abandoned the lining out method of voting and worded the section on marking as follows:⁷

He shall mark immediately preceding the name of each candidate he wishes to vote for a check (✓) or cross (X) or a line (—) in the square provided for such purpose, leaving the square preceding the name of each candidate he does not wish to vote for unmarked.

When there is irregularity of marking the practice is to allow the intention of the voter, if discernible, to prevail. For example, the Supreme Court of South Dakota has adopted the following rule of interpretation: "Informality in making cross should be disregarded, when intention is clearly apparent."⁸ Among other states which have similar rulings are Tennessee and Wisconsin.⁹ But the court of North Dakota has held that the mark must be within the voting square.¹⁰

Five states allow a combination of the cross mark and scratching or lining out. The Georgia law prescribes the use of the cross in the party-column parentheses for straight ticket voting, but requires that the voter line out the names of undesired candidates when a split ticket is voted.¹¹ Alabama, Delaware, Idaho, and West Virginia allow the voter to mark X beside the name of his favored candidate and, if he wishes, to erase or scratch the names of all other candidates.¹²

The "scratch," widely used many years ago, is employed exclusively in only three states today. The Arkansas voter must line out horizontally all propositions and the names of all candidates voted against. In South Carolina, the only state which still uses party papers, the voter folds and deposits his candidate ballot in the proper box; and he marks the proposition ballot by striking out the word "Yes" or the word "No."¹³

⁶ *Missouri Revised Statutes*, 1929, sec. 10310.

⁷ *Laws of Virginia*, 1936, p. 276, repealing *Laws*, 1931, sec. 162.

⁸ *Vallier v. Brakke*, 64 N. W. 180 (South Dakota, 1895).

⁹ *Menees v. Ewing*, 210 S. W. 648 (Tennessee, 1919); *Spaulding v. Elwood*, 12 Wis. 551.

¹⁰ *Howser v. Pepper*, 8 N. D. 484 (1899); *Perry v. Hackney*, 11 N. D. 148 (1902).

¹¹ *Georgia Election Laws*, 1926 ed., sec. 138(w).

¹² *Alabama Code*, 1928, ch. 19, sec. 473; *Delaware Election Laws*, 1936 ed., 1858, sec. 49; *Idaho Code* (Annotated), 33-804; *Official Code of West Virginia*, 3:5-19.

¹³ *South Carolina Election Law*, 1938 ed., sec. 2303. The South Carolina law for primary elections provides for scratching names.

The Texas voter may vote a straight ticket by running a line vertically through all party columns voted against; he may vote a mixed ticket by running a line horizontally through the names of such candidates as he desires to vote against in the column of his preferred party and writing in the name of the candidate for whom he wishes to vote or leaving unscratched the desired names in other columns.¹⁴ There is room for irregularity in lining out; but a Texas decision held that "... if the intent of the voter can be ascertained in the light of surrounding circumstances, effect should be given to the ballot in accordance with such intent."¹⁵

The instruments used for marking ballots are a stamp or stencil, pen and ink, and pencil (black lead, indelible, or blue). The stamp or stencil is required in five states; namely, California, Kentucky, Louisiana, Nevada, and Oklahoma.¹⁶ The advantage of this instrument is that it gives an identical mark, doing away with irregular or identifying cross marks which too often invalidate ballots. California law prescribes this caution be printed across the top of the ballot: "MARK CROSSES (X) ONLY WITH RUBBER STAMP: NEVER WITH PEN OR PENCIL." In two states, Colorado and Mississippi, the laws specify the use of pen and ink,¹⁷ while nine states allow the choice of ink or pencil.¹⁸ Laws specify the use of pencil in eleven states: "a black lead pencil" in Connecticut, Ohio, and West Virginia; "a soft black lead" in New Hampshire; "an indelible pencil" in Maryland, Minnesota, and Pennsylvania; "a black lead, indelible pencil, or black crayon" in Delaware; "a blue pencil" in Indiana; and merely "a pencil" in Arkansas and South Dakota. The Indiana voter is handed a blue pencil with his ballot. He must return this pencil to the clerk when he hands in his ballot before he can leave the polling place, and all blue pencils must be destroyed before the beginning of the count.¹⁹ Nineteen states have no legal stipulations as to the materials with which ballots shall be marked. But in some of these states the instructions to election officials

¹⁴ *Texas Revised Civil Statutes*, 1925, Art. 2981.

¹⁵ *Stubbs v. Moursund*, 222 S. W. 632 (Texas, 1920).

¹⁶ *California Election Laws*, 1936 ed., sec. 1197.6; *Kentucky Statutes* (Ann.) 1936, ch. 41, sec. 1471; *Louisiana General Election Laws*, 1935, Act No. 130, sec. 71; *Nevada Election Laws*, 1938 ed., Act of 1917, sec. 42; *Oklahoma Statutes*, 1931, sec. 5711.

¹⁷ *Colorado Statutes* (Annotated), 1935, ch. 59, sec. 229; *Mississippi Digest of Election Laws*, 1935, p. 18.

¹⁸ Florida, Illinois, Michigan, New Jersey, New Mexico, North Carolina, Oregon, Texas, and Wyoming.

¹⁹ *Indiana Election Laws*, 1938 ed., ch. X, sec. 277.

have a provision similar to this in the Georgia law: "Each voting shelf or table shall be kept supplied with conveniences for marking the ballots."²⁰

There is yet another aspect of marking. Most of the states provide a blank column or blank spaces in which the voter may write or paste names not printed on the ballot. Half of these states require that when a name is written in it must also be voted by the cross (X) in the voting space;²¹ while other states allow the voting by the cross (X) but accept the intention of the voter even without the mark.²² In Minnesota, an Attorney-General's opinion stated that "Where a voter writes in a name, it is unnecessary to put the cross after it."²³ Some states make doubly sure of the substitution by a write-in. For example, Maine and Virginia require that the voter erase the printed names and write in the desired name.²⁴ The Missouri law states that the voter may draw a line through the printed name and write below such cancelled name the name of the person for whom he desires to vote, and then place a cross mark in the square to the left.²⁵

In the states which allow pasters for the insertion of the voter's preference the laws specify whether the paster must be voted or not. The wording of the Washington law is:²⁶

Nothing in this act contained shall prevent any voter from writing or pasting on his ballot or ballots the name of any person for whom he desires to vote for any office, and such vote shall be counted the same as if printed upon the ballot and marked by the voter. . . .

On the other hand, the wording of the Montana law is:²⁷

The elector may write in the blank spaces or paste over any other name the name of any person for whom he wishes to vote, and vote for such person by marking an "X" before such name.

The Massachusetts law prohibits the use of any paster with a political designation on it,²⁸ while the law of North Carolina states that, "No

²⁰ *Georgia Election Laws*, 1926 ed., sec. 138(v).

²¹ Illinois, Michigan, Missouri, Montana, New Jersey, North Carolina, Tennessee, Vermont, and West Virginia. In 1935 Vermont joined this group, *Acts of Vermont*, 1935, no. 11.

²² California, Idaho, Iowa, Minnesota, Nebraska, North Dakota, Utah, and Wyoming.

²³ Minnesota, 1930, Op. Att.-Gen., 251.

²⁴ *Maine Election Laws*, 1937 ed., ch. 8, sec. 16; *Virginia Election Laws*, 1938 ed., sec. 153.

²⁵ *Missouri Revised Statutes*, 1929, sec. 10310.

²⁶ *Washington Revised Statutes* (Remington, Supp. 1939), sec. 5213.

²⁷ *Montana Revised Code*, 1935, sec. 696.

²⁸ *Massachusetts Laws Relating to Elections*, 1938, ed., ch. 54, sec. 65.

sticker is to be used."²⁹ The use of the paster to meet the contingency of a vacancy, caused by the death or withdrawal of a candidate after the ballots have been printed, or to correct an error is not discussed in this paper.

The experienced voter may be familiar with the manner of marking a ballot in his state and another voter may have examined educational ballots and placards; but to prevent an irregularity which might invalidate his ballot each voter should read the instructions printed on the ballot before he begins marking. In thirty states the laws prescribe that such instructions shall be printed at the top of the ballot.³⁰ Of these states Connecticut requires that the part above the perforated line, designated as the stub, "shall be of sufficient depth to allow instructions to voters to be printed thereon. . . ."³¹ In two states, Iowa and Missouri, the instructions appear at the bottom of the ballot.³² There are fourteen states which print no general instructions on the ballot.³³ Whenever there is a multiple choice for a given office, however, all states insert scattered cautions such as, "Vote for two." In Illinois, the state which provides for cumulative voting for representatives in the General Assembly, the following statement is inserted beneath the office title for members of the General Assembly: "Vote for One, Two, or Three."³⁴

The general instructions on ballots vary as to both fullness and character. The law of New Mexico is unique in that it requires instructions to be printed in both English and Spanish.³⁵ In states having ballots arranged in party column the voter must be instructed as to straight ticket and split ticket voting.³⁶ Idaho is an example of adequate instructions for this ballot pattern:

²⁹ *North Carolina Election Laws*, 1937 ed., sec. 146(a-28).

³⁰ This study does not include New York and Rhode Island where the use of the machine is statewide for all general elections.

³¹ *Connecticut General Statutes*, 1930, sec. 608.

³² The Iowa ballot shows the instructions at the bottom; but the law is silent regarding the position. The Missouri law is specific (*Revised Statutes*, 1929, sec. 10300).

³³ Alabama, Delaware, Illinois, Kentucky, Maine, Maryland, Mississippi, Nebraska, Oklahoma, South Carolina, Tennessee, Texas, Utah, and Virginia.

³⁴ The Illinois Constitution of 1870, Art. IV, sections 7 and 8, contains this provision: "In all elections of representatives aforesaid, each qualified voter may cast as many votes for one candidate as there are representatives to be elected, or may distribute the same, or equal parts thereof, among the candidates, as he shall see fit; . . ."

³⁵ *New Mexico 1927 Election Code*, sec. 306.

³⁶ There are only three states, New Jersey, North Dakota, and Wyoming, that have the party-column arrangement but do not provide for straight ticket voting.

You can vote a ticket 'straight' by placing an X in large circle below name of party you wish to vote for. You can 'scratch' your ticket by placing an X in small circle on right of name you wish to vote for.

The New Jersey ballot, which has instructions across the top of the ballot, at the head of each column, and before the referred measures, is a good example of detailed instructions.³⁷ On the other hand, New Hampshire with only "For a Straight Ticket Mark a Cross (X) Within This Circle" written around the party circle is an example of scant instructions.³⁸ In states having ballots arranged in office groups the voter needs only the direction as to how to vote for the candidate of his choice. Colorado's instruction "To vote for a person, make a cross mark (X) in the square at the right of his name" is adequate for this ballot pattern. However, since Montana changed its ballot pattern to the office group arrangement in 1939, the law requires that these cautions must be printed: "Vote in all columns"; "Vote for . . . offices in the next column"; and "Vote on initiatives . . . in the next column."

In summary, the laws of the states governing the paper ballots are specific as to the method of marking, the instruments to be used, the use of the write-in privilege, and the instructions printed on the ballot. The mark most commonly used is the cross (X) inserted in a voting square. The use of the "scratch" or lining out method is declining. While the pencil is most commonly employed as the instrument for marking, several states in recent years have adopted the stamp or stencil, thereby assuring a uniform mark. Most states allow the voter to write in, or insert by a paster, a name which does not appear on the printed ballot; but policies vary with respect to the question of whether the vote shall be counted if a cross (X) has not been entered opposite a name thus inserted. The voting machine, which is supplanting the paper ballot in many states, calls for a new pattern of instructions; and in all cities in which the machine is used the section of the law governing the marking of the paper ballot is superseded by the voting machine law.

³⁷ *New Jersey Revised Statutes*, 1937, 19:14-17.

³⁸ *Public Laws of New Hampshire*, 1925, ch. 26, sec. 10.

The Yellow Fever Epidemic of 1878

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The United States suffered its last great epidemic of yellow fever in 1878. The disease spread to 132 towns in the States of Alabama, Kentucky, Louisiana, Mississippi, and Tennessee. These five states reported more than 74,000 cases and 15,934 deaths, but Louisiana suffered the most. In the City of New Orleans 4,600 deaths occurred; the mortality for the city was surpassed only in the epidemic of 1853 when 7,970 persons died!¹

Yellow fever was first recognized definitely in 1647 in the West Indies and was described as "an acute specific disease occurring within certain geographical limits and characterized by a fever of short duration, a yellow tint of the skin, gastro-intestinal disturbances, and haemorrhages into the skin and mucous membranes."² Dr. Paul Alliott shortly after 1800 described yellow fever as "an ague accompanied by fever and worms, which are infallible signs of corruption; a burning fire which dries the tongue and coats it; a slow pulse, and a heart continually growing weaker."³

The city of Philadelphia suffered severely from an epidemic of yellow fever in 1794 and it was thought that ships plying between Philadelphia and New Orleans transmitted the disease to the latter city. At any rate, New Orleans was stricken in the summer of 1796 with an epidemic that terrified the population.⁴ The disease appeared in epidemic form at intervals thereafter, and no one could go from a place where the disease was prevalent to a place free of it without fear that he might take it with him and transmit it to others. Seventy-five miles down the river from New Orleans, the State of Louisiana established a "Quarantine Station," where incoming vessels were halted and detained for an indefinite period, if upon inspection any of the officers

¹ *Encyclopedia Americana*, XXIX, pp. 624-625.

² *New International Encyclopedia*, XXIII, p. 795.

³ H. E. Chambers, *A History of Louisiana*, I, p. 394. Quoted from a letter by Alliott to President Thomas Jefferson, April 14, 1804.

⁴ Charles Gayarre, *A History of Louisiana*, III, p. 376.

or crew were found to be ill. Such detention interfered with commerce but one case in New Orleans was sufficient practically to isolate the city until the appearance of cooler weather.⁵

The yellow fever epidemic of 1878 brought death and sadness to the State and nation. The fever was supposed to have reached New Orleans with the ship, *Borussia*, which arrived May 21, and was detained ten days at quarantine. On May 23, the purser of the ship died of what was thought to be yellow fever and on May 30 a member of the ship's crew died, but another member who was ill recovered.⁶ Governor Nicholls, upon the recommendation of the Board of Health, had already declared a general quarantine effective May 14, on all vessels arriving from all West India ports, from all ports along the coast of the Gulf of Mexico south of Texas, and from all ports along the Atlantic Coast of South America as far as Buenos Aires.⁷

An epidemic of yellow fever was a calamity that concerned the press sufficiently to command considerable attention. It was reported on July 30 that yellow fever had been raging for several days with one hundred and four cases and thirty-four deaths.⁸ The epidemic reached such magnitude that the newspapers on August 19 began giving daily reports on new cases, deaths the preceding twenty-four hours, total cases, and total deaths. These daily reports were given until November 4,⁹ at which time, no less than 13,213 cases and 3,954 deaths had been reported in New Orleans;¹⁰ that is to say, approximately thirty per cent of those contracting the fever died. The climax was reached in the early part of September, with three hundred twenty-seven new cases occurring on September 3, and ninety deaths being reported on September 11. During the worst period of the epidemic music was forbidden and church bells were not rung. In one square there were one hundred and three cases and an entire family of seven died and all were buried the same day.¹¹

When the fever was declared to be an epidemic there was a general exodus from New Orleans, and this spread the infection to other parts

⁵ Chambers, *A History of Louisiana*, I, p. 394.

⁶ J. S. Kendall, *History of New Orleans*, I, p. 406.

⁷ *Messages and Proclamations of Governor Francis T. Nicholls*, 1878, p. 307.

⁸ *New Orleans Picayune*, July 30, 1878.

⁹ *New Orleans Times*, August 19 to November 4, 1878, inclusively.

¹⁰ The population of New Orleans was 154,132.

¹¹ Kendall, *History of New Orleans*, I, p. 406.

of the state.¹² Donaldsonville reported 1,322 cases and 168 deaths;¹³ Baton Rouge had 2,463 cases and 159 deaths.¹⁴ The fever spread over the State so extensively that the crops were not harvested in many sections.¹⁵

The problem of caring for the afflicted and destitute was great, but the entire nation responded generously; gifts came from North, East, and West, as well as from neighboring States. The railroads transported all supplies *gratis* to New Orleans during the epidemic. The magnitude of the relief prompted a meeting of citizens at Turner's Hall on September 8. They discussed these questions:

- (1) By what means can this timely aid be made to benefit all of those and only those who most need it.
- (2) By what means can the distress of thousands who are out of employment be averted after the epidemic has ceased and the distribution of provisions will be stopped.¹⁶

The Central Relief Committee asked to borrow wagons with which to distribute relief provisions. By October, no less than fifty thousand people were suffering for the lack of the necessities of life. The government lent its aid in the work of relief, and Governor Francis T. Nicholls ordered rations for 40,000 people shipped to New Orleans.¹⁷ The Collector of the Port of New Orleans telegraphed the Secretary of the Treasury, John Sherman, October 6, that a meeting of the chairmen of thirty charitable associations had been held to consider the supplies on hand, the necessities of the people, and more especially the ability of existing organizations to supply what was absolutely needed. A few thought the societies they represented could supply relief for another week. It was their unanimous opinion that the means in the possession of the Howard Association had been greatly over-estimated. Port Collector Smith thought 500,000 rations would not be too much for the 50,000 persons in the city who were in need.¹⁸ At one time the Howard Association had one thousand destitute cases on hand, and it

¹² New Orleans Times, October 14, 1878.

¹³ New Orleans Times, November 1, 1878.

¹⁴ Weekly Advocate, November 15, 1878.

¹⁵ New Orleans Times, October 20, 1878.

¹⁶ Ibid., September 8, 1878.

¹⁷ New Orleans Times, September 9, 1878. The Governor's order of September 4, was for 20,000 pounds of ribbed sides, 19,000 pounds shoulders, 20,000 pounds flour, 16,000 pounds corn meal, 21,000 pounds sugar, and 20,000 pounds salt.

¹⁸ New Orleans Times, October 7, 1878.

cared for a total of more than 24,000 persons.¹⁹ The St. George Society reported giving relief to 4,946 families and 15,843 persons. Most of this relief was in the form of food, but 619 families or 1,041 persons were furnished with money, doctors, nurses, and medicine. To these should be added the 8,508 fed at the soup house, making a grand total of 24,351 persons relieved and 122,493 rations issued.²⁰ The damage of the fever to New Orleans was estimated at sums ranging from \$12,000,000 to \$18,000,000.²¹

Medical science had not discovered the cause of yellow fever, and prior to the War between the States the majority of the citizens of New Orleans believed the fever was "a disease of the climate" beyond the control of any preventive measures.²² The Territorial Governor, W. C. Claiborne, in a message to the Legislative Council on December 14, 1804, had called the attention of that body to a plan by President Jefferson to prevent yellow fever. As it was observed the disease flourished in crowded areas, it was proposed to spread the future New Orleans out over a wide area.²³

It appeared that yellow fever had the peculiarity of attacking newcomers in preference to natives and it seemed to select the Flemish, the English, and the Americans. It was unusual for the Americans to recover; they generally died the second or third day after taking the fever.

There was a woeful lack of regard for the ordinary laws of sanitation, and it appears that certain officials were negligent. One newspaper announced:

It comes to our knowledge, upon authority abundantly reliable, that 4,000 loads of kitchen garbage which had been hauled to the dumping grounds by the city carts have been brought back by the contractors and used to fill up streets in the front part of the city.²⁴

In 1878 it was still believed that yellow fever was caused by filth

¹⁹ Kendall, *History of New Orleans*, I, p. 406.

²⁰ New Orleans *Times*, November 2, 1878. The St. George Society reported that of the 15,843 persons relieved, 13,000 were Irish, 1,840 English, 238 Scotch, 300 from Jamaica, 144 Canadians, 191 from Hong-Kong, and 30 Americans. Of the 8,508 fed at the soup house, 55 per cent were Irish, 25 per cent English, 5 per cent Canadian, 5 per cent other nations, and 10 per cent Americans.

²¹ New Orleans *Times*, January 17, 1879.

²² *Encyclopedia Americana*, XXIX, p. 625.

²³ Gayarre, *History of Louisiana*, IV, p. 36.

²⁴ New Orleans *Times*, September 18, 1878.

and by failure to apply the ordinary principles of sanitation. Dr. J. Holt reported August 8, as follows:

Neglect unutterable has characterized the whole system of street cleaning. The carelessness and neglect in the removal of garbage, the dumping of garbage by hundreds of cart loads into populous streets, the most horrible outrage ever perpetrated upon a civilized community, the bad state of some of the markets, especially the Magazine market, and above all the pernicious method of pretending to clean the streets and gutters by gangs of men employed in throwing their contents into the streets, under a blazing sun to putrefy and presently to be washed back again by a passing shower; all of these causes have been combined to prepare the community for the inevitable and legitimate result of such flagrant disobedience of all sanitary laws, the appearance and rapid spread of some malignant contagion.²⁵

The Sanitary Commission reported that yellow fever was indigenous under favorable conditions. It proceeded from a combination of filth, heat, and moisture, and if these conditions did not exist, it was not contagious. It declared every epidemic of yellow fever had been proved by investigation to have originated in such conditions.

The yellow fever epidemic was so alarming that the President of the United States appointed the United States Yellow Fever Commission to investigate the causes and prevention of yellow fever.²⁶ The investigation began the first of the year 1879 in New Orleans and much testimony was taken, but time has proved its conclusions unsound and unscientific. As the press said, it threw "no light on this subject of vital interest to the people of the South."²⁷

As the epidemic of yellow fever showed signs of subsiding, Governor Nicholls proclaimed October 9 as a day of prayer and thanksgiving. He called on the people to recognize their dependency upon God and to exhibit their faith in His power and mercy. Every person was requested:

to repair to some place of public worship and there humbly invoke our Heavenly Father to stay His chastening hand and deliver us from the scourge which, baffling human skill and all that devotion, courage, and

²⁵ *New Orleans Times*, September 20, 1878.

²⁶ *Ibid.*, October 7, 1878. The commission consisted of Dr. S. M. Bemiss (New Orleans), Dr. Jerome Cochran (Mobile), and Professor E. Lloyd Howard (Baltimore).

²⁷ *St. Landry Democrat*, January 18, 1879; *New Orleans Times*, January 4, 5, 7, 8, and February 7, 1879.

charity can bring to its assistance, still spreads desolation throughout our own and sister states.²⁸

The people were to invoke God's blessings also upon those who had so generously manifested their devotion, courage, and humanity in the dark hours of the supreme distress. The Thanksgiving proclamation of Governor Nicholls contained the following reminder:

The summer which has passed has left many of our households in Louisiana desolate, but even through the sadness of the year there is no one among us but who has cause to recognize God's kindness and mercy. In humble recognition of that, I do recommend to the people of Louisiana that on the day suggested they unite with the people of the entire country in a common expression of gratitude to their maker.²⁹

Governor Nicholls in his message to the legislature, January, 1879, spoke of the destructive epidemic of yellow fever, the spontaneous exhibition of sympathy, Christian charity, and brotherhood of a common country. Lieutenant Governor Wiltz, also referred to the yellow fever epidemic, the philanthropic contributions from all classes of people in all sections of the nation and from cities abroad. He suggested that suitable resolutions should be passed to let the world know that the people of Louisiana were not ungrateful.³⁰ The legislature passed an appropriate joint resolution of thanks for the contributions which reached \$1,100,000.³¹

The people of New Orleans feared a return of the yellow fever in 1879 and Governor Nicholls³² took the precaution to declare a quarantine of twenty days beginning April 30. The commercial interest objected vigorously to the quarantine³³ order and the New Orleans Medical and Surgical Association joined in the protest.

It was not until the turn of the century that the real cause of yellow fever was learned, and it is quite generally known today that the fever is an acute infectious disease which is transmitted from the sick to

²⁸ *Messages and Proclamations of Governor Francis T. Nicholls*, 1878, p. 418. Proclamation was issued October 1, 1878; *Daily Picayune*, October 9, 1878; *New Orleans Times*, October 5 and 9, 1878. The mayor of New Orleans issued a proclamation also naming October 9, as a day of prayer.

²⁹ *Messages and Proclamations of Governor Francis T. Nicholls*, 1878. The proclamation was issued November 31, 1878.

³⁰ *Journal of the Senate of Louisiana, Regular Session*, 1879, p. 3 and pp. 7-20; *Picayune*, January 7, 1879; *New Orleans Times*, January 6, 1879.

³¹ *Journal of the Senate of Louisiana, Regular Session*, 1879, p. 24.

³² *Message and Proclamation of Governor Francis T. Nicholls*, 1879. The proclamation was issued April 17, 1879.

³³ *New Orleans Times*, April 18, 1879.

susceptible individuals through the agency of mosquitoes. The yellow fever mosquito (*Stegomyia fasciata*) is found in tropical and semi-tropical regions, and especially in lowlands near water. This mosquito serves as "an intermediate host" for the yellow fever parasite, which is present in the blood of those sick with the disease during the first three days of the attack. A period of twelve days is required for the yellow-fever parasite to develop in the body of the mosquito before it can be transmitted to another individual through stinging or biting.²⁴

²⁴ *Encyclopedia Americana*, XXIX, p. 624.

Some Characteristics of Farmers on the Stillwater Creek Watershed¹

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Introduction. The Soil Conservation Service initiated one of its first demonstration projects on the Stillwater Creek watershed in the latter part of the year 1933. The watershed extends roughly from the southeastern corner of Noble county diagonally across Payne county, and originally it included approximately 1,000 farms. The Carl P. Blackwell lake project which came as a later development of the Resettlement Administration reduced the size of the soil conservation project by 20,000 acres. Except for the Blackwell lake project and the site of the city of Stillwater practically all the land in the watershed is in farms which are devoted mostly to cotton, small grains, and pasture. The area is largely rolling upland interspersed by numerous narrow meandering stretches of creek bottom land. The hills were originally covered with dense growths of scrubby jackoak while in the creek bottoms were heavy growths of pecan, elm, cottonwood, and other timber.

In some respects the Stillwater Creek watershed may be thought of as a transitional, if not a marginal, agricultural area. It is the meeting place of the central cross timbers and of the western prairies. It is almost at the northern limit of the cotton region, and it borders the southern and eastern limits of the north central Oklahoma winter wheat area. Although a large part of the watershed is unsuitable for cultivation, as a whole it is neither the richest nor yet the poorest farming section of central Oklahoma.

Nature and Purposes of the Study. When the Soil Conservation Service initiated the demonstration project, immediately many questions

¹ This study was made by the Oklahoma Agricultural Experiment Station in cooperation with the United States Department of Agriculture Soil Conservation Service.

came to the minds of those in charge of the operations: *viz.*, What kinds of people were there? What would be the characteristic reactions of the residents toward the soil conservation program? What basic information was available from which it would be possible later on to measure the success or failure of the soil conservation program? Would the program prove to be socially and economically feasible, taking it for granted that the majority of the farmers would be cooperative and favorable toward it? What are the socio-economic characteristics of the farmers who could be expected to cooperate in the program? These are only a few of the questions which arose almost simultaneously when the program was instituted. The study at hand proposes to give a tentative partial answer to only one of these questions, that involving the social characteristics of the farmers cooperating as opposed to those not cooperating with the soil conservation program.

Sources of Data. The data employed here were obtained principally from a field survey conducted by the Oklahoma Agricultural Experiment Station during the spring of 1934.² A farm-to-farm canvass was made in the processes of which enumerators used an elaborate schedule designed to comprehend three major phases of farm life, land use practices, farm organization and management, and family organization and living practices.

At the time the survey was made, the project area had been mapped out but only a small proportion of the farms had signed contracts of agreement with the Soil Conservation Service. In fact, many of them had barely heard rumors to the effect that the soil conservation program was in prospect. They could not tell the enumerators whether or not they would sign the agreements. Some who said they would not changed their minds and signed later on, while others who were favorable at first refused to sign the agreements when they were approached and asked to do so. It was necessary, therefore, to wait until the canvass for signatures was completed and to check the cooperative agreements at the local project office some months after the socio-economic survey was made in order to discover who were the actual cooperators in the area. Altogether the survey covered 755 farms or approximately 75 per cent of all the farms in the watershed. Of this number 387 farm operators were cooperators and 368 were noncooperators with the soil conservation program.

² The United States Soil Conservation Service made its contribution in the form of tabulating the data and assisting in the preparation of the report.

The Problem. It is rather widely believed both by social investigators and by popular writers that cooperativeness is a special endowment of the more highly "socialized" members of a society while the absence of this tendency is often interpreted as an indication of cultural retardation. The present study proposes to test the hypothesis stated above on the basis of six variables which are thought to relate to the life habits and experiences of the people on the farms, in order to discover if there are actual significant differences between cooperators and noncooperators in the soil conservation program.

Comparison of Cooperators and Noncooperators. This study has been limited to an examination of six possible quantitative differences between cooperators and noncooperators. They are (1) age, (2) education, (3) index of plane of living, (4) index of mobility, (5) index of family fertility, and (6) distance from farmstead to principal trade center. Other indicators which might have been included but were not are net worth of operators, size of investment operated, size of farm operated, amount of social participation in formal group activities, length of occupancy on present farm, size of previous year's income, etc. It was believed, however, that if significant differences were found in the study of these six variables it would be an indication that further analysis of socio-economic characteristics of the farm operators might prove fruitful.

Age of Farm Operators. Knowledge of the age composition of a population is an indispensable prerequisite to an understanding of its behavior along almost any front. Historically, age has been one of the two primary bases for the division of labor, the other being sex, and of social organization. Psychologically, age is of immediate importance in making social, economic, and other forms of adjustment. Ordinarily adjustments are made most easily when the individual is old enough to fend for himself and young enough to possess a high degree of resilience. As a rule the aged do not respond favorably to innovations at first sight, while the youthful seem to be seeking new experiences continually. Hence, youth and age appear to wage a more or less endless conflict.

The soil conservation program required the farmer's signing a five-year contract obligating himself to comply with certain stipulated farm practices which involved a possible increase in overhead, the adoption of unfamiliar and perhaps inconvenient farm practices, and the accept-

ance of supervision in running his own farm. Manifestly, this was a new departure, and it was believed that the willingness of farmers to cooperate in such a program would be significantly interdependent with their age variations.

Table 1 shows the age distributions of cooperators and noncooperators by decennial age groups. It may be observed that in the 20 to 29 year age group the percentages of cooperators and noncooperators were 9.6 and 16.0, respectively, while in the next three higher age groups the proportions of cooperators were consistently greater than those of noncooperators. In the middle-aged group, 30 to 59 years, there were 66 per cent of all the cooperators as opposed to 58 per cent of all the noncooperators included in the study. In the age groups 60 years and

TABLE 1
AGE DISTRIBUTION OF FARM OPERATORS IN STILLWATER CREEK WATERSHED

Age Groups	Per cent of Farm Operators		
	All Operators	Cooperators	Noncooperators
ALL AGES.....	100.0	100.0	100.0
20-29.....	12.7	9.6	16.0
30-39.....	20.9	22.2	19.5
40-49.....	22.9	24.8	20.9
50-59.....	19.0	19.6	18.2
60-69.....	16.3	15.5	17.2
70-79.....	6.7	7.5	5.9
80 and Over*	1.5	.8	2.3
Mean Age (yrs.).....	47.7 \mp .54	47.8 \mp .73	47.5 \mp .81

*Class interval left open for convenience in presentation in manuscript form.

over, there were 23.8 per cent of the cooperators and 25.4 per cent of the noncooperators which after all is a much smaller difference than was expected on the basis of logical deduction. From these comparisons it may be seen that while age is functionally related with cooperation in the soil conservation program when the age factor is treated with respect to specific age groups, it is apparent that the tendency to cooperate is not consistently related to variations in the ages of farmers.

On the other hand, it was found that age in general does not select cooperators and noncooperators uniformly throughout. In the first place, the mean age of cooperators was 47.8 years and that of noncooperators was 47.5 years, the difference between the means being only .3 years. The standard error of the difference between the two means was found to be ∓ 1.09 , which is over three times as great as the dif-

ference itself. From this is concluded that differences in the gross distributions of ages for the two groups may be attributed to chance.

Education of Farm Operators. According to scientific as well as popular belief, one of the most potent factors in social selection and adaptation is education. True enough, this does not always mean formal education, but even so, formal education is regarded by sociologists as a channel of social selection. If cooperation is likewise a process of social selection and adaptation, it is reasonable to suppose that within limits, the further the progress made in school the greater should be the tendency toward cooperation.

As is shown in Table 2 there was a consistent tendency for the incidence of noncooperators to be greater than that of cooperators among

TABLE 2
PERCENTAGE DISTRIBUTION OF FARM OPERATORS IN STILLWATER CREEK
WATERSHED ACCORDING TO GRADE FINISHED IN SCHOOL

Last Grade Finished in School	Per cent of Farm Operators		
	All Operators	Cooperators	Noncooperators
ALL GRADES.....	100.0	100.0	100.0
None.....	4.4	1.6	7.4
1-4.....	18.5	14.6	22.6
5-8.....	60.5	63.9	56.9
9-12.....	13.0	14.4	11.4
13 and Over*.....	3.6	5.5	1.7
Mean Grade.....	6.8 \mp .11	7.4 \mp .15	6.2 \mp .16

*See footnote, Table 1.

farmers having completed grades of schooling below the group averages and for the reverse to be true for those whose education was above the average. Also, it is significant that the mean grade completed in school by cooperators was 7.4 while that of noncooperators was 6.2, or a difference of 1.2 grades, the standard error of the difference being \mp .219 which is sufficiently small relative to the difference between the means to give assurance of a very high degree of reliability. In an absolute sense this difference may not seem great, yet it is to be recalled that a difference of over one year in persistence in school for a major segment of a population represents the expenditure of an appreciable effort toward social adjustment, assuming that the attainment of formal education is in itself an effort toward social adjustment. It is apparent therefore that in a given local area, to say the least, greater cooper-

ativeness is to be expected from farmers having superior education than from those whose educational advantages are inferior.

Plane of Living Index. The term "plane of living" as used in this admits of considerable laxity because it refers to cash expenditures and does not include many items furnished by the farm itself for family living. In this respect it is probable that there are important differences between families which the cash expenditure does not reflect. Also, the index expresses the expenditure per "ammain" relative to the group average which was used as a base. This does not measure planes of living in terms of a previously established desirable norm. It is, therefore, at best only a rough approximate basis of comparison, since there is no evidence that the group average represents an adequate level of living for any of the families. The index is used with the idea that it selects families only on the basis of cash expenditures for family living rather than on that of adequacy of content of living.

TABLE 3
DISTRIBUTION OF FARM OPERATORS ACCORDING TO INDEX OF
PLANE OF LIVING

Plane of Living Index*	Per cent of Farm Operators		
	All Operators	Cooperators	Noncooperators
TOTAL.....	100.0	100.0	100.0
Up to 49.....	18.0	16.3	19.8
50-99.....	46.1	44.4	47.8
100-149.....	21.1	24.0	17.9
150-199.....	6.1	5.9	6.3
200-299.....	5.7	5.2	6.3
300 and Over.....	3.0	4.2	1.9
Mean Index.....	101.1 \pm 2.68	105.8 \pm 3.79	96.1 \pm 3.76

*The Plane of Living Index used here has been computed as follows: Average total cash expenditure for living per "ammain" was assumed to equal 100. The index for each family in terms of "ammains" is expressed as a ratio to the base figure. The plane of living index for each family is, therefore, a relative to the average for the entire sample. The data in this table were broken down into class intervals of 10 on the work sheets but were consolidated for convenience in graphing. Because of the extremely wide range in the indexes two solutions of the problem were computed, the first being that described in the text. For the second solution the table was truncated at 199 in order to see if samples of greater homogeneity as to socio-economic status were capable of yielding results which were more highly significant. The only effects were that the means were reduced, the standard errors were reduced and the difference between the means was reduced. However, the critical ratio of this difference was found to be 1.982 as compared with 1.8 in the original solution, which of course failed to give evidence of complete reliability in the more homogeneous samples.

As may be seen from a study of Table 3, the distributions of co-operators and noncooperators according to the plane of living index are closely similar, the principal differences being that there is a slightly heavier concentration of noncooperators than of cooperators in the

lower index groups, and a somewhat heavier concentration of cooperators than of noncooperators in the group having a plane of living index of 300 and over. In this upper extreme group the samples are too small to be considered statistically significant. The main comparison to be gained from the data is that the cooperators had a mean index of 105.8 as against a mean index of 96.1 for noncooperators, or a difference of 9.7. The standard error of this difference between the means was found to be ± 5.34 , the difference between the means being, therefore, 1.8 times its standard error. These results do not give assurance of complete reliability, but they indicate that the difference would not be attributable to chance more often than one time in 28 when similar samples are drawn in a similar way from the same population group. The comparison gives room for the plausible assumption that probably those families which signed agreements to cooperate with the soil conservation program hold a slight advantage in respect to levels of living over those who did not cooperate when taken in the aggregate, but in smaller and more detailed units the differences between them may be attributable to chance.

Index of Mobility. Mobility is to be understood here as having reference to geographical shifting of residence. It may or may not involve a change of occupation. A move from farm to farm does not entail an occupational shift, but a move between the farm and a city, in either direction, may require a change in occupational status. What is of concern, however, is the proposition that geographical movement breaks down existing social bonds and necessitates the establishment of new ones, thus affecting the farmer's disposition to enter a five-year contract of agreement in the face of the probability that he may move away and break it. Also it may be supposed that the Soil Conservation Service would be more reluctant to sign an agreement with a highly mobile than with a more stable type of farmer.

From Table 4 it may be observed that the same general mobility pattern characterized both cooperators and noncooperators. There are small differences which may be ascribed to statistical error, but the mean index of 28.9 for cooperators as compared with a mean index of 30.7 for noncooperators does not indicate that there are any highly significant differences between the two groups as to mobility. Especially is this true when it is pointed out that the difference of 1.8 between the two means has a standard error of ± 1.66 . This gives a chance factor

which is great enough to obscure all the value of the results for purposes of prediction. From the data available, therefore, the evidences that the frequency of moving has an important direct bearing upon the contractual relations of farmers to the land they occupy are entirely inadequate as a basis of support for the general hypothesis.

TABLE 4

DISTRIBUTION OF FARM OPERATORS ACCORDING TO INDEX OF MOBILITY

Mobility Index*	Per cent of Farm Operators		
	All Operators	Cooperators	Noncooperators
TOTAL.....	100.0	100.0	100.0
0-9.....	16.1	16.2	16.0
10-19.....	25.3	25.8	24.7
20-29.....	21.3	23.2	19.3
30-39.....	12.8	11.7	13.9
40-49.....	7.1	6.5	7.6
50-59.....	7.1	6.3	7.9
60-69.....	4.0	4.2	3.8
70-79.....	1.7	1.6	1.9
80-89.....	1.6	1.8	1.4
90-99.....	.1	.3	0.0
100 and Over†.....	2.9	2.4	3.5
Mean Index.....	29.8±.81	28.9±1.13	30.7±1.22

*The Index of Mobility as used here is the quotient found when the total number of moves made times 100 is divided by the number of years between the age of the family head at the time of his going upon his own resources and his age at the time of the survey. The formula used in computing the index is written as follows:

$$\text{Index of Mobility} = \frac{M \times 100}{t}$$

in which M is the number of moves, t the time interval, and 100 is the constant.

†See footnote, Table 1.

Fertility Index. In this study it was believed that the biological reproductivity of the family might either reflect or be reflected in co-operation since fertility itself is often conditioned appreciably by the influences of the social environment. The family provides perhaps the purest form of cooperation to be found in any of man's social relationships. Moreover, the occasions for cooperation in the family probably increase directly with the fertility of the family. Also, land is an essential agent in all phases of the life history of the farm family, and its preservation or conservation is vital to family existence. This is especially true when a high degree of fertility binds a family closely to its land. It seemed logical, therefore, that if soil conservation had become a definite concept in the minds of farm people, consciousness or aware-

ness of its necessity should be associated with the biological pattern of the family.

In order to standardize the fertility of the family a fertility index was constructed in terms of the potential childbearing period of the wife. This index was not refined to the extent of some fertility indexes which are used, by subtracting from the total childbearing period the intervals of infertility induced by pregnancy and lactation, but it is a crude index in which the number of births times 100 is divided by the number of years of married life experienced prior to age 45. After all, pregnancy periods are statistically the same for all women, and may admit of as much variation for the same woman in successive pregnancies as between different women. Furthermore, it is futile to attempt to use an index of fertility similar to that used by Pearl and his collaborators unless the investigator has clinical knowledge of such things as voluntary sterility, abortions and other checks upon natural fertility. In the present study, the point of interest is a standardized figure indicating the reproductivity of the family rather than the development of a theory of human fertility. For this purpose the crude index used is believed to be fairly satisfactory.

From the data shown in Table 5 it is apparent that the fertility of families has little to do with the tendency of farmers to cooperate with the soil conservation program. The mean index of fertility for cooper-

TABLE 5
DISTRIBUTION OF COOPERATORS AND NONCOOPERATORS ACCORDING
TO INDEX OF FERTILITY

Index of Fertility*	Per cent of Farm Operators		
	All Operators	Cooperators	Noncooperators
TOTAL	100.0	100.0	100.0
0-9	21.3	19.3	23.4
10-19	27.0	29.8	24.2
20-29	23.2	23.5	22.8
30-39	14.5	14.9	14.0
40-49	6.0	5.5	6.6
50-59	5.8	4.2	7.4
60-698	1.3	.3
70-7925
80 and Over†	1.2	1.5	.8
Mean Index	23.24 [†] .62	23.23 [†] .88	23.25 [†] .90

Births x 100

*Index of Fertility = $\frac{\text{Births} \times 100}{\text{Childbearing Period}}$

†See footnote, Table 1.

ators is 23.23 and that for noncooperators is 23.25. The difference between the means is only .02 and has a standard error of ± 1.25 which is over 66 times as great as the difference. This indicates that the difference between the means is almost completely without reliability. There are a few chance variations in the extremes, especially in the lower extreme index groups. It appears that those without children are somewhat more heavily represented by noncooperators than by cooperators, while those with fertility indexes ranging from 10 to 29 were found more frequently among cooperators than in the noncooperator groups. Otherwise, the small differences between the two distributions may be ascribed wholly to statistical error. It may be concluded tentatively, therefore, that cooperativeness toward the soil conservation program is almost entirely independent of the fertility of the family.

Distance from Principal Trade Center. It would appear that spatial separation of a farmer from his principal trade center is a factor in the dissemination of information, of opinions, and in psycho-social suggestion. Perhaps the more important factor is the frequency with which the farmer makes trips to the trade center, but it stands to reason that farmers who live close to their main trade center will go there more often than those living at more remote distances, other things remaining equal. If these assumptions square with common logic, it is worth while to investigate the point in order to see what the facts really are.

From the data shown in Table 6 it is apparent that the previously stated hypothesis may be applied only within narrow and restricted

TABLE 6

DISTRIBUTION OF FARM OPERATORS ACCORDING TO THE NUMBER OF MILES THEY RESIDED FROM PRINCIPAL TRADE CENTER

Miles from Trade Center	Per cent of Farm Operators		
	All Operatives	Cooperators	Noncooperators
TOTAL.....	100.0	100.0	100.0
Up to 2.....	9.0	6.8	11.4
3-4.....	19.0	18.5	19.7
5-6.....	21.7	22.4	21.0
7-8.....	21.9	24.5	19.1
9-10.....	17.2	17.9	16.3
11-12.....	7.8	7.3	8.3
13-14.....	2.7	1.6	3.9
15-16.....	.7	1.0	.3
Mean Distance (miles).....	7.1 \mp .11	7.2 \mp .15	7.0 \mp .17

limits. For the farmers who lived less than five miles from their chief trade center there was a heavier concentration of noncooperators than of cooperators, whatever may be the reason. Also, it happens frequently that farms that are at close distance to town are small in size, specialized in nature, and are protected from erosion somewhat due to a comparative absence of row-crop farming. Poultry farms, fruit and vegetable farms, and dairy farms do not always suffer from the destructive effects of erosion as rapidly and severely as arable farms.

The greatest differences between the distributions are found for the farmers who lived from five to ten miles from their principal trade centers in which there was a preponderance of cooperators over noncooperators. For farms of over ten miles in distance from the main trade center, noncooperators were relatively more numerous than co-operators.

A further observation is, however, that the difference between the means of the two samples is only .20 and that its standard error is \pm .23. This indicates that the chances that the difference occurs by chance are so great that the reliability of the measure is negligible.

Summary and Conclusions. The foregoing data have shown that on the whole there is very little difference between cooperators and noncooperators with the soil conservation program in the Stillwater Creek watershed area on the basis of the six characteristics chosen. After all, the question of whether or not it is a good idea to sign a five-year contract to employ certain practices such as strip cropping, contour cultivation, terracing, crop rotation, or the planting of soil improving crops seems to revolve, in the greater part, around other characteristics of the farmer than those which have been studied here. What those characteristics are has not been determined adequately by anyone thus far. Perhaps there are other socio-economic characteristics than those studied which may prove to be more determinative than these. Further, it may be that the answer must be sought in the individual personalities of the farmers themselves. Finally, it may even be true that the soil conservation program itself may not operate selectively because of its conscious effort to appeal to all types of farm people.

One pertinent question which may be raised is: Were the social variables chosen sufficiently sensitive to select the actual differences which may have existed? In the opinion of the writers they were, because each of the variables employed was of such a nature as would involve

rather definite patterns of behavior and experience involving time adjustments to group structure and function. The important issue is whether or not behavior patterns which are vital to man's social existence are either conditioned by or actually determine such behavior as signing a new type of contract. Perhaps men may have a tendency to formulate individual judgments which are so diffused and conditioned by the entirety of their social experiences that no group of variables small enough to be susceptible of statistical treatment will show more than occasional points of tangency with a specific course of action. This is another illustration of the most difficult problem in social investigation. When does a measure actually measure the thing to be measured?

The question now may be asked: What are the principal social differences which one may expect to find between cooperators and noncooperators in governmentally sponsored soil conservation programs? So far as this study has been able to determine, only two of the six social variables employed may be said to have more than a chance association with the tendency of the farmers in the area studied to cooperate with the soil conservation program. Those were education and plane of living, and each of them seemed to be positively correlated with cooperation and to a significant degree.

Trends in the Development of Voluntary Health Insurance in the United States

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Introduction. Despite the fact that this an account of *events* rather than *issues*, it seems desirable, at the very outset, to define what is meant by the term voluntary health insurance. As generally used, it refers to those plans in which groups of persons make periodic payments into a pooled fund for themselves, and frequently for their dependents, which is utilized in their behalf for medical services¹ when needed. Their *raison d'être* in contemporary America rests on the fact that they have solved for their membership the pressing problems of the availability of medical resources and of the high cost and uneven burden of unforeseen and unpredictable illness.

These plans came into existence as a result of numerous and complex causes. While their essential framework can be traced far back into early Roman history, a rather good case can be made for the argument that the die was really cast when man exchanged status for contract, when the world was emerging from feudalism. The end of feudalism brought with it the end of personal responsibility, where it existed, of the overlord for those bound to him. Great shifts of population took place; new occupations replaced old ones. The worker began to emerge as a new kind of individual who had to depend more and more on his own resources. It was natural, therefore, for workers to band together in guilds and fraternal orders for mutual protection.

With the decline of the guilds, fraternal organizations began to flourish everywhere. The mushrooming of industry led inevitably to the growth of trade unions which, for a considerable period, were much more concerned with their mutual assistance programs than with collective bargaining. During the 19th century, mutual aid organizations developed rapidly in England, and to a lesser extent in the United States. By the turn of the present century in England, more than five

¹ Some plans include hospital services; in fact, many are set up as hospital service plans exclusively.

million workers belonged to such organizations. In this country, co-extensive with development of the general movement for the protection of large groups of the population, and especially with the development of the concept of compulsory health protection,² there has been the rapid growth of voluntary health insurance plans. At the present time, it is estimated that some three million people in the United States obtain the major portion of their medical care through membership or affiliation with these associations and about five million people receive institutional care through voluntary hospital insurance plans.³

The types of voluntary health insurance plans in the United States are many and diverse.⁴ Some provide complete medical care. Others provide physicians' services only. And there are those which provide hospitalization only. There are both profit and non-profit plans. Some are organized and controlled by the membership, other by employers, and a number by physicians themselves. A multiplicity of combinations of organization and control exist. Salaried physicians are employed in some cases, and physicians paid on a per capita basis for services rendered are employed in others.

But this takes us somewhat ahead of our story. In order to know what voluntary health insurance is, we must know what it has been, and what it is likely to become. We must view it in terms of the particular society in which it operated, and we must examine the extent to which it functioned successfully. The rapid development of science and its wide dissemination, in recent years, has led many of us inadvertently, in most instances, into an error of thinking. Because an idea seems natural and familiar to us, we assume that it has always been so. Nothing could be farther from the truth as this pertains to voluntary health insurance, either in the past or in our own time. This will become apparent increasingly when one realizes that the history of voluntary protection against disease and death is the history of change—not only in organizations, the benefits they offered, and the way they functioned, but in the place they held in society.

Early Experiments in Voluntary Insurance. Most well-known among the first experiments in mutual aid were the collegia of ancient Rome.

² Hirsh, J., *The Compulsory Health Insurance Movement in the United States*, *Social Forces*, v. 18, no. 1, October, 1939.

³ Hospital Service Plan News, *Jour. Amer. Hospital Assn.*, v. 14, no. 6, June, 1940.

⁴ Cf. *New Plans of Medical Service*, Bureau of Cooperative Medicine, New York, 1940. For descriptions of the more significant plans.

Far from being "colleges" in the modern sense, they were voluntary associations of common people formed for fellowship. In addition to their social activities, they provided what in modern insurance parlance is called a "funeral benefit." Members of these "colleges" paid a small initiation fee and a monthly subscription. Upon the death of a member, a lump sum was paid to the family or heir for funeral expenses.⁵ Whether these organizations gave assistance to their members in times of sickness is a matter of conjecture.

The religious and social guilds of the Middle Ages were more fully developed mutual aid associations. They were self-governing bodies in which women participated equally with men. The guilds provided insurance against sickness. Each member was required to pay an initiation fee and a monthly or yearly subscription. In the event of incapacity by reason of sickness, a fixed sum was paid weekly from the pooled fund to the sick member until he was able to return to work. Upon death, it was the duty of the surviving members to attend the funeral. Thus we see that the purely protective, financial aspect of guild benefits was tempered by humane qualities which are motivated by distress. The guilds came to an end in England when Henry VIII suppressed them and confiscated their property.

Although the guilds disappeared, the spirit that created them survived and found expression during the early part of the 18th century in the formation of another kind of mutual aid association, the Friendly Society. Like the guild, the Friendly Society was a voluntary association of poor men and women organized to provide certain benefits, generally in case of sickness and death. When a member was incapacitated and unable to work by reason of sickness or accident, the Society gave him a sum of money each week until he was able to resume work. In addition to this disability benefit, the Society provided services, which the guild did not—namely, the services of a physician and whatever medicine was necessary in treatment.

The idea of the Friendly Society caught on in other European countries. In Germany, shortly before the introduction of compulsory health insurance in the "eighties," the membership of the *Hilfskassen* numbered two millions. In France, they fared less well. Only in England

⁵ McCleary, G. F., *The Rise and Development of National Health Insurance in Europe*. De Lamar Lecture of April 22, 1930, published in *De Lamar Lectures 1929-30*. The Johns Hopkins University School of Hygiene and Public Health. Williams and Wilkins Co., Baltimore, 1931.

did they flourish and become a permanent fixture in the health and social structure of the country, so that even today with a well-established system of compulsory health insurance they still fulfill an important and useful function.

In every country where various voluntary health insurance plans have been established, calumnies have been poured on them. In many instances, there has been just cause for objections, typical among which are faked illnesses, malingering of patients, inadequate or poor medical service, excessive physicians' visits, and inordinately high pharmaceutical bills. A more general objection has been raised, namely, that they protect only those who can afford to join their membership, leaving unprovided the poorest, precisely those sections of the community most in need of the advantages of group insurance. Each of these objections is well taken. But since they have been discussed and, in some cases, adjudicated in countless books and scholarly papers in recent years, they need not be recounted here. The one point to be made is that the evolving character of voluntary health insurance plans is such that mistakes become apparent, and when they do, some attempt at rectification is usually made. One other point—whether or not a system of compulsory health insurance operates in a country where voluntary plans are established, there is enough evidence to indicate that they do not necessarily conflict and work at cross purposes. One fulfills the need of one group of the population and the other fills the need of those who, because they are not provided for under a compulsory plan of health protection, seek it through voluntary organization.

Now we can turn our attention to the development of voluntary plans in this country and see how, on the one hand, they reflect the early European experiments and, on the other, are shaped by the particular qualities of our own society.

Prelude to Voluntary Health Insurance in America. The background for the growth of medical care plans in the United States is an important one and is intimately related to the social and economic development of the country. During the 18th and early part of the 19th centuries, new needs arose which required new methods to cope with existing conditions. Medical care was one requirement, however, which, in addition to the public medical services then available,⁶ could be

⁶ Hirsh, J., *The Development of Public Medicine in the United States*, *Southwestern Soc. Sci. Quart.*, v. 20, no. 2, September, 1939.

handled easily by the private citizen. The main difficulty at that time was the scarcity of physicians and the inadequacy of transportation facilities.

Following the Jacksonian period, there came what Charles and Mary Beard have described as "the sharp vibrations of revolution made by technology and applied science."⁷ In the beginning of the mad scramble of industrial growth, health was still neglected to a considerable extent as a social responsibility. *Laissez-faire* was the formula in vogue. Industry was chiefly interested in the quantity of labor that could be secured. The nexus between health and productivity was not yet realized.

In the years immediately preceding the Civil War, the movement and rapid concentration of population led to the great epidemics of that period. Villages became overgrown towns and towns suddenly became important cities. Sanitation, water supply, and care of the public health developed quickly into vital problems. It was inevitable, therefore, that public medical services be established to cope with these grave problems and with the rapid spread of disease which accompanied the growth of transportation.⁸ The problem of providing medical care for the individual became more important than ever before. Serious illness was not only expensive to treat but, when it involved the breadwinner, it left the family without any income. Indebtedness and a lowered standard of living initiated a vicious circle, commonly known today as the poverty-disease complex, which was not easily or usually broken. When individuals began to realize that the problems of disease and the provision of medical care could be attacked upon a group basis, voluntary health insurance plans were established. During the period 1793-1867, more than 38,000 Friendly Societies were founded in this country. About one-third of them collapsed, however, because of "mismanagements, insolvencies, and dissolution."⁹

Negro Voluntary Health Insurance Organizations. Long before the Civil War, it was the free Negroes, suprisingly enough, who initiated the first experiments in voluntary health insurance. Struggling for existence in a white man's world, they sought to lessen their financial burdens by banding together in neighborly fashion in order to render

⁷ Beard, C. and M., *The Rise of American Civilization*. Macmillan Co., New York, 1934.

⁸ *Op. cit.*, 6.

⁹ Meyer, B. H., Fraternal Insurance in the United States, *Ann. Amer. Acad. Polit. & Soc. Sci.*, v. 17, no. 2, March, 1901.

mutual aid in times of emergencies.¹⁰ In every urban center having a large concentration of free Negroes—New Orleans, New York, Norfolk, Richmond, and Savannah—some kind of mutual assistance association was organized by the Negro population. Many of these organizations were set up initially, much like the Roman *collegia*, to provide funeral benefits only.

As early as 1778, an organization called "The Free African Society" was established in Philadelphia to provide its membership against the exigencies of sickness and death. Widows were cared for and children of deceased members were given the rudiments of an education. Although this organization originally had no religious connection, it soon shifted the emphasis of its activities from a mutual benefit association to a religious one, affiliating itself first with the Methodist Episcopal Church and later with the offspring organization, the African Methodist Episcopal Church.¹¹

Another of these associations, the Brown Fellowship Society, grew in prominence in Charleston, South Carolina. Because of its large membership, it was able to offer more benefits than the usual burial insurance, and disability compensation, therefore, became one of its main features.¹²

Despite the fact that a large free Negro population existed in Baltimore, there is no evidence to indicate that they attempted to establish mutual benefit associations of any kind. The necessity for any such organizations was probably obviated by the extensive activities of the Catholic charities in that city.

Seventy years after the formation of "The Free African Society" in Philadelphia, more than 8,000 Negroes had joined over 100 secret and beneficial societies in that city. Members of these organizations usually contributed between 25 and 38 cents monthly. The sick received \$1.50 to \$3.00 a week, and death benefits accrued to anything between \$10 and \$20.¹³ While important in Negro life even today, these societies were superseded, when membership was extended to the Negro, by such fraternal orders as the Masons, Odd Fellows, and the Knights of

¹⁰ Browning, J. B., *The Beginnings of Insurance Enterprise Among Negroes*, *Jour. of Negro History*, v. 22, no. 4, October, 1937.

¹¹ *Ibid.*

¹² Based upon a personal communication from Dr. C. G. Woodson, editor of the *Journal of Negro History*.

¹³ DuBois, W. E., *The Philadelphia Negro*, University of Pennsylvania, Philadelphia, 1899.

Pythias. Charters of Negro orders of these organizations usually included provisions for sick and burial benefits, life insurance, funds for widows and orphans, and homes for the aged.¹⁴

Most secret societies during the Civil War period served the dual purpose of providing cash benefits during periods of sickness and distress and of serving the social needs of the group. In this latter sense, they carried forward the activities of the church.¹⁵ It was during the post-war period, however, that secret societies began to flourish. In many instances they were established and operated along the same general lines as the contemporaneous English Friendly Societies. Organized for the general protection of free Negroes, they provided disability compensation benefits. As health agencies, moreover, they played the important role of bringing health information and instruction to their membership, who otherwise would know little or nothing of even the most elementary principles of hygiene.¹⁶ This is the first instance where health education in voluntary health insurance plans was encouraged. It presaged the stress that was to be placed upon health instruction and preventive medicine in modern voluntary health organizations.

The transition of Negro mutual benefit societies into industrial insurance enterprises during the 1880's paralleled the economic progress of the country in general and of the Negro businessman, in particular.¹⁷ When, about this time, industrial insurance companies operated by white men began to solicit Negro business, fierce competition ensued. The Negro industrial and fraternal organizations met this situation by offering many inducements including lower rates and larger benefits.¹⁸ To this day, Negro health insurance plans, despite many inherent weaknesses, are fulfilling a very definite need for that underprivileged section of our population.

The form of Negro voluntary health insurance associations influenced white fraternal plans to such an extent that the organization and benefits of the latter can be said to be patterned entirely upon these earlier experiments.

¹⁴ Grimshaw, W. H., *History of Freemasonry*, Broadway Publishing Co., New York, 1903.

¹⁵ Davison, J. W., Negro Secret Societies as Health Agencies, *The Southern Workman*, v. 46, no. 6, June, 1917.

¹⁶ *Ibid.*

¹⁷ *Op. cit.*, 13.

¹⁸ Work, M. N., The Negro in Business Enterprise, *The Southern Workman*, v. 46, no. 5, May, 1917.

Labor and Health Protection. Although labor unions made no provision for sickness benefits prior to 1880, labor guilds had performed this function to some degree even before the 19th century. These early guild sickness benefit plans, much like the guilds in England, were set up as mutual aid associations. Essentially benevolent societies in character, they provided benefits other than those for sickness, accident, and death, such as caring for widows and children of deceased members. The Mutual Assistance Society of Hair Dressers, Surgeon Barbers, etc., incorporated in 1796, for example, entitled each member to have his customers attended to in case of sickness.¹⁹

Since these organizations were purely benevolent in character, wage-fixing and anti-employer activities were forbidden. As late as 1818, the New York Typographical Society was denied articles of incorporation which would have permitted it to continue as a benevolent and employee protective association. It is evident, therefore, that these guild plans were established primarily to provide benefits for accident, sickness, unemployment, and death rather than to regulate wages or conditions of employment.²⁰ Significantly enough, it was more common for journeymen societies to pay sickness benefits than organizations for masters since it was assumed that the master craftsman could better afford the costs of sickness and disability.

In addition to strike benefits, the labor organizations of the early 19th century, like the benevolent guild plans, paid sickness and death benefits. Most of these early unions had no permanent funds set aside for such benefits and, as a rule, they were taken from whatever surplus funds were available. Article 17 of the New York Printers' constitution, for example, reads that "when the funds of the Society shall have amounted to \$100, the Board of Directors may award such sum to sickly and distressed members, their widows and children as may seem proper, provided that such sum shall not exceed three dollars per week."

The trade unions of 1850 had their roots in the earlier benevolent societies which, prior to 1825, were prohibited from engaging in labor protective activities other than those pertaining to the provisions of sickness and death benefits. Some of the old benevolent societies retained their original structure intact while their members formed sep-

¹⁹ Commons, J. R., *History of Labor in the United States*. v. 1, Macmillan Co., New York, 1918.

²⁰ *Ibid.*

arate unions; others reorganized their societies to include broader protective features. And there were still others which became singularly labor protective in organization and purpose without any sickness or death benefits. This period marked a significant stage in the history of trade union benefits and in a sense reflects the strength of British and German unions at that time, for thereafter wherever there were both benevolent and labor protective aspects to an organization's activities, the latter was always considered more important.²¹

By 1885, the total union membership in the United States came to about 300,000. At that time only four national unions had benefit systems. These were the Iron Molders, the Granite Cutters, the Carpenters and Joiners, and the German-American Typographia. Other unions, reported in the census of 1880, did not provide national benefits for the entire membership. Separate insurance departments, however, were open to deserving members of the trade society. It is estimated that during the last quarter of the 19th century, only some 6,000 American union members were eligible to receive benefits, other than those resulting from strikes, from their national organizations.

The early reports on trade union benefit activities do not seem to concur because (1) of the dearth of information on all plans and, (2) of the failure of reporters to cover the same unions. There is general agreement, however, that the important benefit provisions of American trade unions, not branches of British unions, have developed since 1880.²²

Modern Union Health Plans. The transition from the guild to the Friendly Society in England marked an important step in the evolution of voluntary health insurance which reverberated in fraternal, mutual-aid, and union health plans in this country. The guilds in England and most of the earlier health protective plans in America emphasized *cash benefits* so that the incapacitated member could obtain medical care and have partial compensation during periods of unemployment resulting from sickness. The Friendly Societies, on the other hand, also provided cash benefits to compensate for wage loss but, in addition, gave *benefits in kind, i.e.,* sent a physician to the sick member and provided pharmaceuticals. Modern union health plans have, in general, been based upon these practices.

²¹ *Ibid.*

²² Bennis, E., *Benefit Features of American Trade Unions*, Bulletin No. 22, U.S. Dept. of Labor, Washington, 1899.

Although as late as 1916, very few trade unions actually provided medical care and, in fact, did not pay cash benefits for many diseases,²³ the seed of medical care activities was planted some thirty years previously. In the "eighties," several industries, particularly mining and lumbering, drew employees away from settled communities into sparsely settled areas. By their very nature, these industries were hazardous. Income was irregular and generally low. Despite the vital need for medical personnel and facilities, physicians were loathe to establish themselves in these communities. To make medical resources available, a simple expedient was decided upon. Funds were accumulated by deducting a certain amount from employees' wages which were used by the companies to hire resident physicians for the care of employees in the camps.²⁴

The link between the benevolent associations of the early labor guild days and the modern union health plans is represented by the Northern Pacific Beneficial Association which has been in continuous operation since 1882. Its membership consists of employees of the Northern Pacific Railway Company and a limited number of employees of the Railway Express Agency. Employing 400 physicians, it operates five general hospitals and one small emergency hospital. The plan is owned and operated by the employees who finance it by paying one per cent of their wages. In addition to medical and hospital care, the Association contributes to group life, health, and accident insurance for the benefit of the hospital employees. Other benevolent features include a pension plan for the membership and a burial allowance of \$75.²⁵

Despite the fact that labor has consistently recognized the need for health protection of the worker, relatively few trade unions have established comprehensive plans for the provision of medical and hospital care. In a survey of 96 American trade unions with benefit plans, data from 78 were secured. In addition to other benefits, 63 reported death benefit features, 14 provided disability compensation, 11 sickness compensation, 13 made some provision for aged members, and 20 had at least some form of insurance.²⁶

²³ Kalet, A., Voluntary Health Insurance in New York City, *Amer. Labor Legis. Rev.*, v. 6, no. 2, June, 1916.

²⁴ Williams, P. and Chamberlain, I., *Purchase of Medical Care Through Fixed Periodic Payments*, Nat. Bur. Econ. Res., New York, 1932.

²⁵ *Op. cit.*, 4.

²⁶ *Handbook of Labor Statistics*, Bulletin No. 491, Bureau of Labor Statistics, U. S. Dept. of Labor, Washington, 1929.

Since this discussion is aimed primarily at an interpretation of events in the history of voluntary health insurance, an analysis of particular plans would be out of place. Data on the organization, financial structure, function, and benefits of many plans have already been accumulated.²⁷ Significant plans are discussed, therefore, only briefly. In this connection, it is impossible to leave the activities of labor unions in the voluntary health insurance field without stating that the most exemplary, if unique plan in the labor field, the Union Health Center of New York City, was established by the International Ladies Garment Workers Union.²⁸ This plan includes both cash benefits and complete medical and dental service. In addition, many benevolent benefits, *i.e.*, lectures, health instruction, etc., are provided.

Recent Trends in Voluntary Health Insurance. Immediately following World War I, when the compulsory health insurance movement bogged down,²⁹ voluntary health insurance experiments of various kinds, particularly "middle-rate" plans and group clinics, were established in various parts of the country. While no two were alike, they began to mushroom haphazardly in the years to follow. Industrial medical care plans, set up by employers, developed along with employee sponsored plans. Medical service associations, established by physicians, had their counterpart in organizations initiated by fraternal, social, and consumer groups. Health services were established in many colleges and universities. Various combinations of organization and control existed. Subscription rates and financial and medical benefits varied widely.

For the *membership of these groups*, the problems of the availability of medical service and the high cost of medical care have been solved to a considerable degree. The haphazard nature of the growth of voluntary health insurance plans and the lack of standardization among them, however, have raised two fundamental questions: "For those plans with high subscription rates, how effectively is the cost problem met?", and "How successfully have the standards of medical practice been maintained or raised?" These questions are receiving careful consideration and review by many thoughtful physicians and administra-

²⁷ Cf. Pierce Williams; also *New Plans of Medical Service*; also Brown, M. W., *American Experimentation in Meeting Medical Needs by Voluntary Action, Law and Contemporary Problems*, v. 6, no. 4, Autumn, 1939.

²⁸ *Op. cit.*, 4.

²⁹ *Op. cit.*, 2.

tors throughout the country. In the vanguard is the Committee for the Study of Group Medical Practice who recently published standards of principles and procedures for voluntary health insurance plans.⁸⁰

One important problem *not* solved by voluntary medical service plans, largely because they make no provision for it, is the high cost of hospital care. The Committee on the Costs of Medical Care found that hospital expenses comprise 13 percent of the total average annual medical bill.⁸¹ To meet this specific situation, of hospital bills only, voluntary hospital service association, commonly referred to as "3 cents-a-day" or group hospitalization plans, were set up. The Baylor University Hospital plan, organized in 1929, to meet the hospital needs of 1500 local school teachers is probably the oldest large group hospitalization plan in existence.⁸² Since the inception of this plan, more than 60 others, serving some 5,000,000 people, have been established throughout the country. Several hospitalization associations have broadened their benefits and now provide medical services. Whether these groups will merge with medical care plans to provide comprehensive medical services is a matter of speculation. Current thought would indicate rather that while the trend is to have hospitalization plans retain their identity, they should make some concessions for medical care by providing for surgical bills in hospitalized illness.

Another important development in voluntary health insurance in recent years has been the establishment of medical cooperatives. Distinguished from other voluntary medical service plans by the fact that their membership is *not* restricted to closely knit industrial, religious, or social groups but is open to individuals in the community who are bound only by the common ties of sickness, the high individual costs of medical care, or the lack of medical resources, medical cooperatives are now coming into their own. These groups are organized and controlled by potential patients. The first of these medical cooperatives, providing both medical and hospital service, was established for the farmers in Oklahoma by Dr. Michael Shadid. Its organization and history make edifying reading.⁸³

⁸⁰ *Group Medical Practice: Tentative Statement of Principles and Procedures*, published by the Committee on Research in Medical Economics (1790 Broadway), New York, 1940.

⁸¹ Falk, I. S., Rorem, C. R. and Ring, M., *The Costs of Medical Care*, Publication No. 27, Committee on the Costs of Medical Care, University of Chicago Press, Chicago, 1932.

⁸² Rorem, C. R., *Non-Profit Hospital Service Plans: Historical and Critical Analysis of Group Hospitalization, etc.*, Commission on Hospital Service, American Hospital Association, Chicago, 1940.

⁸³ Shadid, M. A., *A Doctor for the People*, Vanguard, New York, 1939.

The development of voluntary health insurance plans during the past twenty-five years has been so rapid, haphazard, and individualistic that mistakes have been made and cooperation between the various groups has been lacking. Testimony from the membership as well as from officials of these plans indicates the need for improved care. It should be remembered, however, that these plans originated out of necessity and to a considerable extent have been modified to meet changing needs and conditions. The Bureau of Cooperative Medicine in New York City was established in 1936 as an educational and consultative body, to perform researches necessary in the interest of prepayment medical service plans, and to aid various plans in any other way possible.

At the First Annual Convention of Group Health Plans held in New York City in July, 1939, at the behest of the Bureau, the various groups represented undertook the establishment of a national federation of voluntary health insurance plans. The Group Health Federation of America was established in Chicago in February, 1940: (1) to determine standards of group health plans eligible for membership in that organization; (2) to serve as the medium through which problems common to the plans could be shared; (3) to discuss and act upon common legal questions; (4) to collect statistics on the experiences, costs, and administration of the member plans. At the present time, it is seeking reciprocity between the member groups so that when a member of one plan becomes ill when visiting another city, he may be able to obtain medical care from whatever group operates in that city.

Like the compulsory health insurance movement in this country,⁸⁴ voluntary health insurance, too, has had a checkered history. Opposition by professional and lay groups on the grounds that these plans are unethical, provide poor and inadequate medical service, are poorly organized and administered, have subscription rates too high and benefits too low, has been common for years. Some of these objections are well founded; others are not. Although journalese, James Rorty's account⁸⁵ of certain facets of this history describes vividly recent events.

Within the past year, a number of physicians with medical society approval and, in fact, medical societies themselves have established voluntary medical service plans. This is neither a new field of opera-

⁸⁴ *Op. cit.*, 2.

⁸⁵ Rorty, J., *American Medicine Mobilizes*, W. W. Norton & Co., New York, 1939.

tion for physicians with established professional connections⁸⁶ nor for medical societies.⁸⁷ It merely indicates that the forward movement is of such intensity that the time has come for the medical profession to take its rightful place in the vanguard.

Reed⁸⁸ and other students of medical care problems, on the basis of the European experience with voluntary health insurance, feel that it is but a bridge to the inevitable—compulsory health insurance. So far as the United States is concerned, this remains a moot question. Voluntary plans have proved their worth in times of need and many of them, notably those in industry, have become so firmly entrenched that it is unlikely that they will ever disappear completely, even in the presence of compulsory health insurance. If the present war is to lead to what Columbia University's eminent historian, Allan Nevins, predicts, "a cycle of revolutions and counter-revolutions" continuing for many years, provision for the national health such as was proposed at the National Health Conference in 1938 will have to be planned along with military preparedness and industrial mobilization. In the present national emergency the organization of voluntary health insurance plans of various kinds is going ahead. It is evident, however, that plans for skilled workers and for others in heavy and defense industries will have to be established.

Summary. The development of voluntary health insurance may be viewed as a succession of steep and broadening steps. In both Europe and America the earliest experiments were initiated by poor men and women for social purposes. At first, they provided funeral benefits only. Later, provision against loss of income, resulting from sickness, was made. The principles of modern voluntary health insurance were invoked by the Friendly Societies in England when they provided medical services in addition to disability benefits.

The early American health insurance plans were patterned largely upon the European experiments. Two forces most responsible for shaping the types of plans now in existence were the Negro mutual benefit associations and the early labor guilds. Modern fraternal, religious,

⁸⁶ Note the Mayo Clinic in Rochester, Minnesota, and the Lahey Clinic in Boston, among others.

⁸⁷ Note the medical plan established in 1934 by the Wayne County Medical Society, Detroit, Michigan. Cf. *New Plans of Medical Service*.

⁸⁸ Reed, L. S., *Health Insurance—The Next Step in Social Security*, Harper and Bros., New York, 1937.

and consumer health plans have been influenced decidedly by the early Negro organizations and present-day activities of labor and industry in the health field have their main roots in the benevolent labor guild plans.

In an attempt to prognosticate, one must always be conscious of James Russell Lowell's famous maxim: "Don't never phophesy onless ye know." In these times, this is especially true. From what has gone before and from current trends in voluntary health insurance, however, it would seem that medical and hospital consumer and labor plans will shape the destinies of this movement for better health protection.

Factors Related to Low-Cost Ginning

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The ginner and the cotton grower have much in common. The ginner performs a service essential to the grower. In considering possibilities of improving the economic status of the cotton grower, some attention needs to be given to the grower's cost of ginning service. Cost of ginning may have one of two meanings. Cost of ginning to the cotton grower is his outlay for gin tolls and bagging and ties; cost of ginning to the ginner is his cost of operating the gin plant. The weight of ginning charges on growers is directly related to the price of lint cotton. During the eight year period, 1931-1938, ginning tolls and bagging and ties cost cotton growers of West Texas an average of \$6.57 a bale. If the grower gets 5 cents a pound for his lint, this charge absorbs 26.3 per cent of the returns on his cotton; if the grower gets 20 cents a pound for his lint, this charge absorbs 6.6 per cent of the returns on his cotton. Obviously, during periods of low cotton prices, growers are most concerned in reducing the cost of ginning service.

Any consideration of the possibilities of reducing charges on ginning service to growers must also take into account the economic interests of the ginner. A reduction in gross income will reduce the ginner's net income unless offset by other factors such as increased volume of ginning or increased efficiency in operations. The quality of the gin service is of concern to the grower. High class service depends upon a fully equipped gin plant maintained in a high state of repair. A ginner operating at a loss over a period of years will not be in a position to make the repairs and replacements essential to first class service.

In general, the gross income of the ginner is composed of the service charges collected from patrons and the margin realized on the cottonseed. Such income less the cost of operating the gin plant is the net income of the ginner. Thus the cost of operating the gin plant is of direct concern both to the ginner and the grower. In the long run, the charges made for ginning service must be related to the cost of furn-

¹ Paper delivered at the Cotton Research Congress, Waco, Texas, June 27, 1940.

ishing the service. That is, increased efficiency in operations tends to lower ginning charges; reduced efficiency tends to increase ginning charges.

Cost of Ginning. A survey of the possibilities of reducing the cost of gin service to growers needs to be based on an analysis of the costs of operating gin plants. The Texas Agricultural Experiment Station is making an analysis of ginning costs in Texas based on more than eleven hundred cost records. These records have been obtained both from private and coeprative gins. One of the first questions to be faced in a cost analysis is whether the state is to be considered as a unit, or whether the state should be divided into several sections. As among the various areas of Texas, fundamental differences occur in the ginning industry. The number of days in which ginning is performed for the season is considerably less in the southern part of the state than in the western part. Most of the cotton is picked in the southern and eastern parts while a large percentage of the crop is snapped in the western part. Thus gins in the western part must have elaborate cleaning equipment which is almost wholly unnecessary in the eastern part. Because of these and other differences, the state has been divided into three sections which for the sake of convenience have been designated as East Texas, West Texas, and South Texas.²

As a concrete example of differences existing among the three sections of the state, Table I is presented.

TABLE I
AVERAGES OF DIESEL GINS: (1930-1938)

Section of State	Size of Gin (No. of Saws)	R/B Ginned	Investment in Gin Plant	Income per Bale*
East Texas.....	348	1,245	\$16,225	\$5.20
West Texas.....	368	1,686	29,907	6.85
South Texas.....	360	1,265	25,838	6.40

*Total of gin toll and net profits, per bale, on bagging and ties and cottonseed; all types of power.

On the basis of type of power, the gins were classified into three groups: steam, Diesel, and electric. The Diesel group includes the gins with gas and gasoline engines. From a cost standpoint, type of power is significant. The investment in the power unit is lowest for the electric

² Bonnen and Elliot, *Type of Farming Areas in Texas*, Bul. No. 427, page 31. East Texas contains areas: 13, 14, 15, 16, 17, and 20. West Texas contains areas: 1, 3, 4, 5, 7, 11, and 12. South Texas contains areas: 6, 8, 9, 10, 18, and 19.

and highest for the Diesel. Fixed and variable costs vary according to type of power which means that volume of ginning at different levels affects costs differently.

Investments in gin plants vary within wide limits. The cost of the gin plants of owners who built new plants was affected by the price levels during the year the plants were constructed. The amount of equipment in the plant and the number and type of buildings are other factors. As for the cost to present owners of plants purchased second-hand, a number of factors were involved, such as: the age of the plant when purchased together with its general condition; the cost of a new plant as an alternative; and the prospective volume of ginning as indicative of the probable profits of operation.

Relation of Volume and Investment to Ginning Cost. In the cost analysis made by the Texas Agricultural Experiment Station, the two factors, investment in the gin plant and volume of ginning, were found to be significant. The cost of depreciation is directly proportional to the investment. The cost of insurance is proportional to the investment protected. Investment is a factor in the cost of taxes. Gins with the higher investments tend to pay higher salaries to managers in that properties of higher value require a higher type of managerial ability. Volume of ginning is particularly significant in the manner in which fixed and variable costs behave at the various volume levels. This may best be illustrated with an example of a West Texas steam gin of average efficiency and investment for varying volumes as indicated in Table II.

TABLE II
TOTAL COST OF GINNING—WEST TEXAS STEAM GIN—INVESTMENT
OF \$26,000

Type of Cost	Volume of Ginning in Number of Bales			
	1,000	2,000	3,000	4,000
Fixed.....	\$4,931	\$4,931	\$4,931	\$4,931
Variable.....	2,250	4,500	6,750	9,000
TOTAL.....	7,181	9,431	11,681	13,931

Costs of ginning expressed as totals is somewhat difficult to grasp. Ginning costs are usually expressed as a per bale. For these reasons, costs in Table II are expressed as per bale costs in Table III.

TABLE III
COST OF GINNING PER BALE—WEST TEXAS STEAM GIN—INVESTMENT
OF \$26,000

Type of Cost	Volume of Ginning in Number of Bales			
	1,000	2,000	3,000	4,000
Fixed.....	\$4.93	\$2.47	\$1.64	\$1.23
Variable.....	2.25	2.25	2.25	2.25
TOTAL.....	7.18	4.72	3.89	3.48
Fixed of total.....	68.7%	52.3%	42.2%	35.3%

It is to be noted that the fixed cost per bale varies inversely with the volume of ginning. That is, the fixed cost per bale at a volume of 4,000 bales is one fourth as great as at 1,000 bales. It should be evident that the high costs of ginning at a low volume is caused by the relatively heavy load of fixed costs.

Net Profits of Ginning. Ginners are interested quite as much in net income as in cost of ginning. During the period 1931-1938, the gross income per bale in West Texas averaged \$6.85 a bale. Gross income as here defined is the gin toll and the net profits on bagging and ties and cottonseed per bale. Assuming a gross income of \$6.85 a bale, Table IV reveals the relation between volume of ginning and net income.

TABLE IV
NET INCOME ACCORDING TO VOLUME OF GINNING—WEST TEXAS STEAM
PLANT INVESTMENT OF \$26,000

Incomes and Costs	Volume of Ginning in Number of Bales			
	1,000	2,000	3,000	4,000
Gross Income.....	\$6,850	\$13,700	\$20,550	\$27,400
Gross of Ginning.....	7,181	9,431	11,681	13,931
Net Profits.....	331	4,269	8,869	13,469
Profits on Investments.....	1.3%	16.4%	34.1%	51.8%

It would appear from Table IV that a West Texas steam gin of average efficiency and investment is in a favorable profit situation if the volume of ginning may be maintained at 2,000 bales, or more. Thus it might be stated as a general principle that steam plants of West Texas need a volume of 2,000 bales, or more, to make a favorable profit showing.

Purposes Served by Analysis of Ginning Costs. A determination of the cost of ginning may serve several useful purposes. In the first place, a standard of performance may be established according to which the individual ginner may ascertain his own relative efficiency. Costs of ginning as among the different gins vary within rather wide limits. For instance, two groups of eight gins each in East Texas were selected. The first group had relatively low costs of ginning and the second group had relatively high costs. Totals of 53 and 52 gin records were involved, meaning that, on an average, the cost records per gin covered more than six seasons. The costs of operating the high cost gins were greater than those of the low cost gins by the following percentages: labor, 25; power, 32; repairs, 21; insurance and taxes, 55; management, 60; miscellaneous, 48; and total costs, 30. Undoubtedly, the operator of the high cost gins could profit greatly by a careful study of the practices followed by the operators of the low cost gins. To ginner with costs out of line with the general average, an analysis of ginning costs should serve as an aid in improving their cost situation.

In the second place, the fairness of a given ginning charge may be judged on the basis of a cost analysis. For instance, two gins of the same investment and type of power may gin the same volume of 2,000 bales. Each gin may realize the same net profit, \$4,000. In the first case, however, the ginner may have a gross income of \$6.00 a bale while in the second case the ginner may have a gross income of \$8.00 a bale. While the first ginner operates at a cost of \$4.00 a bale, the second ginner operates at a cost of \$6.00 a bale. The second ginner is in no way entitled to the higher charge for ginning service because through his own inefficiency costs of ginning are increased by \$2.00 a bale.

In the third place, a comprehensive analysis of ginning costs is basic in appraising the general economic status of the ginning industry. One of the products of a cost analysis is a general picture of the investment situation. Gross ginning income is quite easily estimated. Gross income less the cost of ginning gives the net profit, or loss. This net return in terms of the investment establishes the general profit, or loss, situation of the industry.

Finally, an analysis of ginning costs facilitates a general evaluation of the effects on the ginning industry of a governmental policy which artificially either increases, or decreases the volume of cotton produc-

tion. Whether the production of Texas be fixed around 3,000,000 or 4,500,000 bales annually is a matter of grave concern to the Texas ginning industry.

Solution of Problem of High Ginning Costs. Theoretically, the solution of the problem of high ginning costs is not difficult. If each gin be given sufficient volume and then operated at average efficiency, desirable profits might be realized by ginners while at the same time reductions might be made on ginning charges to growers. Practically, however, the gin industry is faced with the stern reality of the relation between ginning capacity and the volume of cotton produced.

The ginning industry of Texas is passing through a period of adjustment. This is nothing new to the industry. The industry through the years has been continually making adjustments. The Tenth Census report of 1880 stated that the vast majority of gins at that time had from 40 to 50 saws. Most of these one-stand gins were operated by horse- or mule-power. These gins were scattered close together over the cotton producing area. This situation fitted into conditions then obtaining of poor roads and horse drawn vehicles. In contrasting the relative merits of steam and animal power, this Census report stated: "On account of safety and cheaper insurance horse- or mule-power is preferable."³

The Census reports of 1880, 1890 and 1900, in commenting on the gin industry called attention to a tendency of consolidation into larger operating units. The following statement is from the Twelfth Census report: "The combination of the gin and the press afforded a wide field for inventors, and each decade during the nineteenth century has witnessed improvements over the preceding. These improvements have tended to consolidate the cotton-ginning industries and instead of many small ginneries there are now large central ones. Cost of ginning has decreased, and small planters have found that the cost of keeping their ginneries in repair and the expense for labor and livestock necessary to operate them are greater than the fees of the large ginneries, which has led to the abandonment of small ginneries."⁴ This statement is illuminating in several respects. It pictures a stage in the transition from the one-stand farmer gin to the larger custom gin. It indicates one way in which cotton growers of forty years ago lowered their cost of ginning services.

³ *Cotton Production in Texas*, Tenth Census, Volume 5, Part I, page 157.

⁴ *Agriculture*, Part II, Twelfth Census, Vol. VI, page 410.

The Bureau of Census has made a number of special studies of ginning facilities. A summary of various phases of its findings is indicated in Table V.

TABLE V
GINNING FACILITIES IN TEXAS

<i>Year</i>	<i>Number of Gins</i>	<i>Average No. of Saws per Gin</i>	<i>No. Gins of 4/80 Equivalent</i>
1906.....	4,532	204	2,889
1909.....	4,452	229	3,186
1914.....	4,694	271	3,975
1919.....	4,113	299	3,843
1935.....	3,564	337	3,753
AVERAGE.....	4,271	264	3,529

It is to be noted that the number of gins taken alone does not make a reliable index on ginning capacity. It is necessary also to take into account the size of the gins. Ginning facilities expressed as equivalent 4/80 gins furnish a comparative index on ginning capacity. As an aid in grasping the changes which have taken place in Texas ginning industry, Table VI is presented expressing the various aspects of ginning capacity as relatives with the year 1906 taken as 100.0.

TABLE VI
GINNING FACILITIES OF TEXAS EXPRESSED AS RELATIVE

<i>Year</i>	<i>Number of Gins</i>	<i>Average No. of Saws per Gin</i>	<i>No. Gins of 4/80 Equivalent</i>
1906.....	100.0	100.0	100.0
1909.....	98.2	112.3	110.3
1914.....	103.6	132.8	137.6
1919.....	90.8	146.6	133.0
1935.....	78.6	165.2	129.9

It is to be noted as between 1906 and 1935, the decrease in the number of gins has been more than offset by the increase in the size of the gins. As between 1914 and 1935, there has been a slight reduction in ginning capacity.

Ginning Capacity in Texas. The true picture of the ginning industry cannot be given in terms of facilities alone. It is also necessary to bring in the matter of the volume of production. The Census studies of ginning facilities in 1919 and 1935 gave the ginning capacity of all

gins in a 12-hour day. It is assumed that the number of saws measures ginning capacity. In terms of the number of saws, the capacity of the gins of Texas in 1919 for a 12-hour day was 0.150 bales per saw. The capacity of the gins of Texas in 1935 for a 12-hour day was 0.136 bales per saw. Using the capacity as reported in 1935, the number of 12-hour days required to gin the Texas crop for the various years, with all gins running at full capacity, was determined as indicated in Table VII.

TABLE VII
ALL GINS OPERATING FULL CAPACITY

<i>Year</i>	<i>Number Active Gins</i>	<i>Bales of Cotton Ginned</i>	<i>No. of 12-Hour Days Required</i>
1906.....	4,232	4,174,206	35.6
1909.....	4,057	2,522,811	20.0
1914.....	4,361	4,592,112	28.6
1919.....	3,582	3,098,967	21.3
1935.....	3,348	2,960,774	19.3

Ginning facilities in Texas during the period 1902-1931 have been such that the entire cotton crop each year could have been ginned, on an average, in 26.0 12-hour days. At this point, a comparison of ginning capacity between Texas and California may be of interest. Table VIII indicates the number of 12-hour days in which the crop of each state for the past 10 years might have been ginned.

TABLE VIII
GINNING CAPACITIES IN TEXAS AND CALIFORNIA

<i>Year</i>	<i>Number of 12-Hour Days Required to Gin Cotton Crop</i>	
	<i>Texas</i>	<i>California</i>
1929.....	24.4	67.7
1930.....	25.3	70.0
1931.....	33.6	51.1
1932.....	29.1	44.8
1933.....	28.8	70.1
1934.....	16.6	79.8
1935.....	19.3	65.5
1936.....	19.5	54.7
1937.....	33.8	136.3
1938.....	21.0	82.3
AVERAGE.....	25.2	75.8

Table VIII pictures clearly one of the major weaknesses in the Texas gin industry-over-capacity. Various explanations may be offered for this development of over-capacity. Anyone able to finance the building of a gin has been at liberty to do so wherever he pleased. During periods of high service charges and consequent high profits, expansion of ginning facilities has been greatly stimulated. For instance, 20 years ago in West Texas, gin tolls were as high as 60 cents per cwt. on snapped cotton. This together with a charge of \$2.00 for bagging and ties made a service charge of \$12 to \$13 per bale. Under present conditions, a West Texas Diesel gin with an investment of \$30,000 and operated at average efficiency could realize a net return of 15 per cent on its investment with a volume of 960 bales if the gross income were \$12 a bale. At a gross income of \$6.85 a bale, the average of the period 1931-1938, a volume of 1,932 bales would be required to yield a net return of 15 per cent on an investment of \$30,000. Thus 20 years ago two gins could divide the volume which one gin requires today.

Size of Crop and Cost of Ginning. In light of present ginning capacity in Texas, a comparison of ginning costs and net income on a 3,000,000 bale crop with a 4,500,000 bale crop should be of interest. These volumes were divided among East, West, and South Texas according to the relative production of these sections the past ten years. In each section the number of gins by type of power was apportioned according to the Census survey of 1935. Volume of ginning was distributed among the various types of power according to average volume shown in the cost records. On the basis of average volume for both the 3,000,000 and the 4,500,000 bale crops, an average investment in the gin plants, the cost of ginning was determined. This cost multiplied by the number of gins gave the total cost for each type of power. Thus a weighted cost of ginning for the entire state was derived. The gross income in each section of the state was based on the average gross income per bale over the past eight years. The difference between the gross income and the cost of ginning gave the general profit status of the Texas ginning industry.

The present total investment in gin plants in Texas, according to estimates in terms of the gins on which records were obtained, is \$64,324,000, or an average of \$18,847 per gin. The average volume of ginning, based on the number of gins in 1938, is 879 and 1,318 bales for a 3,000,000 and a 4,500,000 bale crop. The cost of ginning the smaller volume is \$6.11 per bale; the cost of ginning the larger

volume is \$4.72 per bale. Thus the lower volume increases the cost of ginning by \$1.39 per bale. On the basis of the average gross income of \$5.95 a bale, a gin with the smaller volume suffers a loss of \$145; a gin with the larger volume makes a net profit of \$1,624. These returns stated as loss and profit on the investment, a gin with the lower volume suffers a loss of 0.8 of one per cent; a gin with the higher volume earns a net profit of 8.6 per cent. Attention needs to be called, however, to the fact that these cost computations include costs of management and depreciation. Cost of management is principally manager's salary which averaged \$1,035; this would be income to the ginners managing his own gin. The average cost of depreciation is \$1,200, which is not an out-of-pocket cost.

The whole story of the effects on the ginning industry of a reduction in the Texas crop from 4,500,000 to 3,000,000 bales cannot be told in terms of averages alone. The gin with a low volume normally would be more adversely affected by the reduction than a gin with a high volume. This point may be illustrated in the case of two gins with the same investment of \$15,000, the first having a volume of 900 bales and the second a volume of 1,800 bales. With a volume of 900 bales the first plant would break even; with a reduction to 600 bales, a loss of 7.2 per cent on the investment is suffered. With a volume of 1,800 bales, the second plant makes a net profit of 20.2 per cent; with a reduction in volume to 1,200 bales, operations are still profitable with a net profit of 6.5 per cent on the investment.

Laborers who work in the gins also have a stake in the size of the crop. On an average, wages going to gin labor are less by one and one-quarter millions of dollars on a 3,000,000 bale crop than on a 4,500,000 bale crop.

The Ginning Industry and the Size of the Texas Crop. If cotton production in Texas is to be held to about 3,000,000 bales annually, the next 10 to 15 years, the Texas ginning industry has a painful problem of readjustment ahead. A large reduction in the number of gins is imperative. Between 1929 and 1938, the number of gins in Texas was reduced by 15 per cent. Under present conditions in the ginning industry, the number of gins may be reduced in various ways. Gins destroyed by fire are seldom replaced. Old and worn out gins are abandoned. Many ginners wear their plants out, spending a minimum on repairs and setting aside no reserves for replacements.

Another form of adjustment may be made through the writing down of capitalized values of gin plants. If one-third of the present value of gin plants in Texas were written off, costs of ginning a 3,000,000 bale crop would be reduced by 63 cents a bale; net profits on the lower investment would be 3.3 per cent. This type of adjustment would be most drastic and would cost the Texas ginning industry more than twenty-one millions of dollars, in capital values. Many second-hand gins are purchased each year. The purchase price under a cotton production of 3,000,000 bales would be considerably reduced from what it would be under a 4,500,000 bale crop. In the process, capitalization is reduced and costs of ginning lowered.

Now as to the question, can ginning charges be lowered to Texas cotton growers? The answer should be obvious. If cotton production be stabilized at 3,000,000 bales, a drastic reduction in the number of gin plants together with a lowering of capitalized values would be required before any material reduction may be made in ginning charges. Cotton growers in many communities of Texas are doing something about this matter of reducing the cost of ginning service through the organization of cooperative gins. The success of the cooperative gins in Texas thus far can largely be summed up in a single phrase—large volume of ginning. Whether private ginners recognize the fact or not, the cooperative gins are pointing the way to a rehabilitated ginning industry in Texas. The volume of ginning per plant must be increased. This together with increased efficiency in operations on the part of the high cost gins may perform the twofold task of increasing profits to ginners and of lowering the cost of ginning service to cotton growers.

Notes from the Southwest

ARKANSAS

University of Arkansas—Dr. C. O. Brannen and Dr. Wm. H. Metzler, of the Department of Rural Economics and Sociology, appeared before the Tolan Congressional Committee, which is investigating the migration of destitute citizens, and presented four statistical exhibits at Oklahoma City, September 19 and 20.

Dr. Austin Venable and Dr. Henry M. Alexander, of the Department of History and Political Science, gave a series of debates during the summer before chambers of commerce in Little Rock, Hot Springs, Texarkana, and Tulsa on the problem of U. S. entry into the European war.

Henry Ritgerod, Director of the Bureau of Municipal Research of the General Extension Service, has been appointed Acting Director of the Arkansas Municipal League while the Director, Wm. D. Hopson, is in National Guard training camp.

Mr. Charles H. Fernald has been appointed assistant professor of marketing and Mr. Arthur L. Cunkle has been appointed an instructor in economics in the School of Business.

During August Dr. Estal E. Sparlin appeared before the New York State Printing Inquiry Commission as an expert witness on the feasibility of a state printing plant.

Mrs. Mattie Cal Maxted, formerly instructor in the School of Social Work at the University of Oklahoma, has been appointed Assistant Professor of Social Welfare in the College of Arts and Sciences.

Dr. William H. Metzler has been promoted to an associate professorship in the Department of Rural Economics and Sociology.

Dr. F. H. Harrington, formerly of the University of Wisconsin, has been appointed chairman of the Department of History and Political Science.

Members of the Department of Rural Economics and Sociology published five bulletins of the College of Agriculture during the summer. They are as follows: "School Services in Rural Communities in Washington County," by J. L. Charlton; "Farm Storage and Marketing of Rough Rice in Arkansas," by Orville J. Hall; "Land Tenure in Arkansas—Change in Labor Organization on Cotton Farms," by J. G.

McNeely and Glen T. Barton; "Farm Credit in Hempstead County," and "Farm Credit in Ashley County," by Estal E. Sparlin.

Mr. Rutledge Vining, instructor in the School of Business, has been reappointed for a second year to the Julius Rosenwald Fellowship at the University of Chicago.

LOUISIANA

Southwestern Louisiana Institute—Karl E. Ashburn, Chairman of the Department of Economics and Business Administration, has been awarded a research grant by his institution to complete a study of the Louisiana workmen's compensation insurance act and its administration.

George Thomas Walker, formerly assistant professor of Business Administration, has resigned his position to accept an appointment with the Louisiana State Department of Education as State Supervisor of Commerce.

William J. Phillips, formerly on the faculty at Tulane and Clarkson College of Technology, has accepted a position as assistant professor of Economics.

Herbert Hamilton, formerly assistant professor of Business Administration at Southeastern Louisiana College, has accepted a similar position at Southwestern Louisiana Institute.

L. E. Smith, formerly with the accounting department of the Freeport Sulphur Company in New Orleans, has been appointed an assistant professor of Accounting.

Leo M. Favrot, Jr., Certified Public Accountant of Lafayette, has been appointed full-time associate professor of Accounting.

OKLAHOMA

Oklahoma Agricultural and Mechanical College—Professor O. D. Duncan is on leave of absence from the department of sociology to engage in study at Louisiana State University.

University of Oklahoma—Mr. Robert M. Basile has been appointed assistant professor of Geography at Northwestern State College, Alva, Oklahoma. He succeeds Miss Margaret Riggs who resigned.

Dr. Edward E. Keso has resigned as Professor of Geography at Central State College, Edmond, Oklahoma, to accept a similar position at Northeastern State Teachers College, Kirksville, Missouri.

TEXAS

Baylor University—The University conducted a Citizenship Institute for the young people of McLennan County, August 12 to 16, 1940. Over 1400 students attended all of the five days. The program consisted of patriotic singing, helpful addresses, selected picture shows, and the staging of a presidential election through all the steps—the precinct conventions, the county conventions, the state conventions, the national conventions, and the election itself, followed by the inauguration of the winner in a public ceremony the last afternoon. The institute was a success in every way. The Department of Political Science of Baylor University feels that a worthwhile service was rendered.

The University of Texas—The Second Texas Personnel Conference was held in Austin, October 31 to November 2, 1940.

Dr. R. L. Sutherland, former assistant director of the American Youth Commission, Washington, D. C., has been appointed professor of sociology and director of the Hogg Foundation, an endowed program for mental health work.

Dr. Rupert E. Richardson and Dr. Holden Furber have been appointed professor and assistant professor, respectively, in the department of history.

Book Reviews

Edited By O. DOUGLAS WEEKS
The University of Texas

Westmeyer, Russell E., *Modern Economic and Social Systems*, (New York: Farrar and Rinehart, Inc., 1940, pp. viii, 604.)

The doctrines of Fascism, Nazism, and Communism are of increasing interest to Americans because of the possible effects of these ideologies upon ourselves. Dr. Westmeyer of the Department of Economics, Rice Institute, gives an account of the present economic, political, and social institutions of Russia, Italy, and Germany in *Modern Economic and Social Systems*. The book is published at an opportune time.

Although the author gives considerable attention to the earlier plans for social and economic reforms, the major portion of the book has to do with the totalitarian regimes. The literature in this field has, of course, grown to enormous proportions but there are few single volumes which place the "dictator states" side by side, so to speak, in order that comparisons may be made. This book makes possible such comparisons.

The volume opens with accounts of the early economic and social reform movements, beginning with the Old Testament Prophets and proceeding through Plato's *Republic*, the teachings of Jesus, and the medieval reformers, Thomas Aquinas and Savonarola. In the ancient period Aristotle receives only a foot-note.

The various Utopias follow in the discussion, and excellent brief summaries of these are given. In commenting upon Bacon's *New Atlantis*, Dr. Westmeyer has an effective paragraph relative to our economic order:

If science is to remake the world and bring about social regeneration, it must be accompanied by the will to make use of scientific discoveries in such a way that the general welfare is advanced. The rapid development of the physical sciences without a correspondingly rapid development of the social sciences, particularly economics, lies at the root of many contradictions with which life today is filled, and science instead of being the servant of mankind, is all too often forced into the role of exploiter of mankind. The world has the skill and the technique to make possible the production of the finest kinds of goods, but its markets are flooded with shoddy and adulterated products which often fall to pieces in a very short time or which are intended to go out of style before they wear out. There are magnificent factories capable of producing all the things people need, but poverty has not disappeared and people freeze and starve for even the barest essentials of life because man has not yet learned how to use science in the interest of the social well-being. (p. 24).

Marxian Socialism is explained and is as thoroughly analyzed as is possible in a book of this type; the Socialist Movement in Germany, Great Britain, and the United States receives ample treatment. Inasmuch as the author's chief purpose is a presentation of contemporary economic and social systems as they exist in Russia, Germany, and Italy a mention of the ideas of Machiavelli and Hobbes alongside of those of the seekers after Utopia would not be amiss.

Clear, thorough discussions are given of Soviet Communism and of German National Socialism. The background and theories, as well as the economic and social aspects, are presented ably and fully.

The material on Fascist Italy is complete and is well presented. It appears, however, that the author is in error in his explanation of how the Italian Chamber of Deputies is made up. (p. 393). As a matter of fact the Chamber of Deputies came to an end on December 14, 1938, and its place has been taken by the Fascist and Corporative Chamber which met for the first time in March, 1939. This Chamber is composed of the 150 members of the National Council of the Fascist Party and the 500 effective members of the National Council of Corporations. [Statesman's Year-Book, 1939].

Dr. Westmeyer concludes his book by bringing together the comparisons and contrasts of present-day Dictatorships, and by saying that if Fascism wins out in Europe it is not at all improbable that the time will come when its guns will be pointed in the direction of the Western Hemisphere.

There is a bibliography at the close of each chapter, and in the Appendix are found the Manifesto of the Communist Party, the Manifesto of the First Congress of the Communist International (Third International), the Doctrine of Fascism, and the National Socialist Party Program.

Dr. Westmeyer has written a book which can be used very satisfactorily as a text in the study of economics and social institutions. The general reader will find in it a clear, comprehensive, straight-forward account of the regimes which currently threaten the world.

North Texas

A. B. ARMSTRONG

Agricultural College

Harris, Robert J., *The Judicial Power of the United States*, (University, Louisiana: Louisiana State University Press, 1940, pp. ix, 238).

The federal courts, in their construction of the constitution and statutes granting judicial powers, have developed formulae by which they retain wide discretion over the limits of their jurisdiction. This is true, despite fairly conclusive constitutional and statutory provisions, and several special attempts by Congress to make the boundaries more sure. The judicial gloss, basically made possible by the American conception of a written federal constitution and especially the separation of powers, has forestalled Congress's conception of public policy, on occasion, as well as the free use of several beneficial governmental devices.

For instance, "cases and controversies" were not a determining factor of federal jurisdiction in early cases, and Professor Harris deplors the later de-

velopment. Even the insistence on adverse parties and substantial interest might have its commendable aspects (to the extent courts exclude themselves from policy determination), but the income tax and T. V. A. cases, originating from the adverse interests of stockholders' suits, demonstrate the vacillating nature of the boundary line. Pressing constitutional questions of great moment are dismissed or accepted with no necessary regard for the public importance of the issue.

The acceptance of non-judicial functions by the courts has been based on whether the work could be reached through the medium of a case and controversy rather than the criterion of public usefulness.

In one set of cases, safeguards are thrown by the court around equity to keep decisions from approaching declaratory judgments only to appear to be overlooked in another set of cases. Yet the attitude of the courts toward cases and controversies threw the frontal movement for declaratory judgments into confusion from the first, and has permitted but qualified use of such a device up to the present.

Though some frivolous and embarrassing cases have been side-tracked, insistence on a "case" has not limited the possibilities of judicial review as ostensibly intended. Delay and confusion have been the net result, since sooner or later the important constitutional questions will be decided. In the meantime, public programs have been held up. What discretion the courts have developed has permitted them to step in and out of the policy determining role without commensurate assumption of responsibility for policy. The federal courts should either abandon their discretion in this respect, or should be required to do so by constitutional amendment.

When Congress has attempted to narrow the scope of the court's discretion in matters of equity jurisdiction (as in the Clayton Act, the Norris-LaGuardia Act, and the Johnson Act, for instance), obstacles, chiefly emerging from the construction of separation of powers, have nullified any close control by Congress, despite admitted power of Congress over many features of court activity. In fact, much constitutional law, public policy, and experience with such statutes demonstrate that Congress should continue enacting and re-enacting such laws as it sees fit, either to gain its asserted constitutional position and crystallize its idea of policy, or to force the court into a responsible position on the issues involved.

Between Congress and the courts there is vacillation and doubt of varying degree respecting the incidental powers to punish for contempt, adopt rules of procedure, admit and disbar attorneys, appoint masters of chancery, prevent abuse of the judicial process, and issue writs necessary for exercise of jurisdiction.

Congress can not give "legislative" courts, independent regulatory commissions, or executive officers final determination of questions involving constitutional rights. In this connection, the anomalous position of legislative courts interests the author to the comparative exclusion of a consideration of independ-

ent regulatory commissions and executive officers acting in their quasi-judicial capacity.

Professor Harris supports this general thesis with reference to much constitutional and administrative law material. His contribution, not clearly organized, lies in his general emphasis and useful discussion of one phase of the struggle for legislative supremacy.

The University of Oklahoma

JOSEPH C. PRAY

Boas, Franz, *Race, Language, and Culture*. (New York: The Macmillan Company, 1940, pp. xx, 647).

Having requested the privilege of reviewing this book, I must confess to an unjustifiable feeling of disappointment after having read it. Anything that Boas writes is worth reading. That fact, together with the intriguing title, led me to expect from the work that which the author had no intention of undertaking. Because of the rich contributions which his fertile mind has already made, I had hoped for further additions to social theory. What I found was a collection of previously published papers.

The purpose in writing is best expressed in the author's own words: "In the following pages I have collected such of my writings as, I hope, will prove the validity of my point of view," which point of view he formulates in this fashion—

Anthropology, the science of man, is often held to be a subject that may satisfy our curiosity regarding the early history of man-kind, but of no immediate bearing upon problems that confront us. This view has always seemed to me erroneous. Growing up in our own civilization we know little how we ourselves are conditioned by it, how our bodies, our language, our modes of thinking and acting are determined by limits imposed upon us by our environment. Knowledge of the life processes and behavior of man under conditions of life fundamentally different from our own can help us to obtain a freer view of our own lives and of our life problems. The dynamics of life have always been of greater interest to me than the description of conditions, although I recognize that the latter must form the indispensable material on which to base our conclusions. (page v)

The papers presented in support of this interpretation of the function of Anthropology have been grouped under the three headings suggested by the title of the book, with three miscellaneous essays on "Advances in Methods of Teaching" (1898), "The Aims of Ethnology" (1888), and "The Study of Geography" (1887) thrown in for good measure, because, as Boas puts it, "they indicate the general attitude underlying my . . . work." (page vi)

Each section opens with a general discussion of the theoretical problems involved, following which there are presented "the reports on special investigations on the results of which general viewpoints are based." (page v). For example, the section on *Race* opens with a chapter on "Race and Progress" in

which Boas presents his well-known views on the subject. This is followed by 19 papers, each of which contributes to the factual foundation of the author's theoretical position. The sections on *Culture* and *Language* are similarly organized. This plan is quite in keeping with Boas' insistence that "the method of Anthropology is an inductive method, and the science must be placed side by side with the other inductive sciences." (page 622). The materials, produced in the years extending from 1887 to 1939, are not intended to show a chronological development, though each carries the date of its original publication and a footnote indicating the occasion for which it was produced.

The result, then, is an excellent "compilation" of papers heretofore available only in the scattered files of professional publications. While there is little that is new to professional students of Anthropology, a positive service has been rendered in collecting and arranging these writings, thus making them much more accessible than previously.

The University of Texas

REX D. HOPPER

Machlup, Fritz, *The Stock Market, Credit and Capital Formation* (Translated from a revised version of the German edition by Vera C. Smith). (New York: The Macmillan Company, 1940, pp. xii, 416).

Of special interest to the reader of this book is the author himself. While he is now Professor of Economics at the University of Buffalo, he originally came from Vienna. There he distinguished himself as an economist. There, also, he was closely associated with such well known Neo-Austrian economists as Mises, Hayek, and Haberler, to whom he acknowledges his "greatest debt" in the writing of this book.

Moreover, it is worthwhile to note that the book, itself, is a revision in English of a book originally published early in 1931 in German under the title "*Börsenkredit, Industriekredit und Kapitalbildung*" as No. 2 in the series *Beiträge zur Konjunkturforschung* of the Austrian Institute for Trade Cycle Research. In the revision the original structure was retained but modified and expanded from 12 to 17 chapters. These 17 chapters of the present edition comprise 300 pages. In addition, the book contains another 100 pages of appendices and statistical tables.

The book is scholarly written. Ninety-four specific references are made to different writers. Those most frequently referred to are Bologh, Cassel, Eileman, Ellis, Haberler, Hahn, Hardy, Hawtrey, Hayek, Keynes, Mises, and Reisch. Terms are defined and used with great care. Being analytical and not descriptive in character, the book can not be merely read; it must be studied to appreciate and to appraise its worth.

As the triple-headed title indicates, it is a study of the relationship between the stock market, credit and capital formation. In the analysis, 37 theses are developed relevant to the problems directly arising out of these relationships studied. Besides, as by-products, several other theses are developed of general theoretical importance. The author does a good job in dissecting the phenomena

studied and in properly labeling his findings; but he is not so good in synthesizing these findings into a systematic whole. The reader has to be careful lest he fail "to see the forest for the trees."

To the reviewer it seems that the central theme of the book is that of the creation and flow of money and its use in creation and flow as capital funds with particular reference to the stock market.

Being influenced by the Neo-Austrian school of economic thought, the author naturally leans toward the neutral theory of money. He believes that "credit inflation is healthy if it compensates for deflation through not hoarding or for an increase in the number of holders of cash balances." He believes that "qualitative credit control is effective only if it involves quantitative control." He does not accept the commercial credit theory of banking. He does not accept the doctrine of price stabilization. He rejects the 100% Reserve Plan for Monetary Reform.

While the book will be of particular interest to American students and teachers of monetary theory and should be read by them, it should not be neglected by the banker and the Congressman, who will take the time to read it.

University of Oklahoma

I. J. SOLLENBERGER

Hedges, James B., *Building the Canadian West, The Land and Colonization Policies of the Canadian Pacific Railway*. (New York: The Macmillan Company, 1939. pp. 421.)

The subtitle of this book accurately indicates the contents. While the story of the Canadian Pacific is a chapter of the railroad story of America, the land empire of the Canadian Pacific was relatively of far more importance in Canada than the land subsidies of the railroads in the United States were in this country as a whole. In many respects the land grant of the C. P. R. and the colonization policies of the company are unique in railroad history.

In general, the policy in the United States was to grant a subsidy consisting of alternate sections in a twenty-five mile belt on both sides of the tract along its entire length. The C. P. R. deal gave the railway 25 million acres of land for a road roughly 4000 miles in length, but since the older provinces and British Columbia controlled their own natural resources, the Dominion government had to locate the whole land grant on the 900 mile stretch from Winnipeg to the Rocky Mountains. Moreover, the company had the right to reject lands not fit for settlement. The C. P. R. therefore acquired ownership of the best odd-numbered sections in an area roughly 900 miles by 400 miles. Only a narrow strip of this land was tributary to the main line, and much of it was eventually opened up by other railroad systems.

Since the value of the land as well as of the railroad depended on the settlement of the West, the company's interest was identical with that of the country as a whole, in that both aimed at the rapid settlement of the West. In the first decades the policies of the Company were not widely different from those of American railroad companies. Their campaign of advertising and

information was, however, far more energetic, imaginative, and far flung than any similar campaign in business history up to that time. In the decades that followed, changes in policy were introduced. By arrangements with the Dominion government, solid blocks of land instead of scattered sections were secured for sale as grazing lands. Later, a 3,000,000 acre block was secured for an extensive irrigation project. On this land the company fostered compact colonies of various national groups. To encourage immigration of settlers without much money, including American tenant farmers, the company began a policy of assisted immigration, initial loans, ready made farms, ready built villages for colonists. The company, being now a partner in the farming enterprises, placed supervisors over these farms to advise and encourage the settlers.

Professor Hedges, with data assembled from the archives of the Canadian Pacific and the Dominion government, has given an authoritative account of the policies of the Company, and its successes and failures. The book is a valuable document for social studies. While not strong in interpretation and conclusions, it provides reliable data from which readers can draw their own conclusions. A bias in favor of the Canadian Pacific is explainable by the source of most of the materials; the reader should make allowances for this bias.

The University of Texas

E. T. MITCHELL

Catlin, George, *Anglo-Saxony and Its Tradition*. (New York: The Macmillan Company. 1939; pp ix, 341).

Men today are again engaging in that most primitive of pastimes—war, and the more thoughtful amongst them are asking the question, "For what do we fight?" A distinguished Anglo-American political scientist, Professor George Catlin, gives us in his book, *Anglo-Saxony and its Tradition*, a partial answer to this question. For Professor Catlin and other liberals here and in Europe the Anglo-Saxon way of life represents the medium in which the value and worth of individual men can best be preserved. Based on the principles of Humanism, Experimentation, Tolerance, Freedom, and Democracy the Anglo-Saxon way stands opposed to the spirit of the totalitarian systems of Europe. The meaning of this liberal tradition, and more particularly its development in England, America, and the Empire, forms the substance of Professor Catlin's work. The first 104 pages are devoted to an "open letter" in which the basic premises of liberalism are analyzed and compared to the alternative communist and fascist theories. The central portion of the book discusses more in detail the essential assumptions of the Anglo-Saxon *weltanschauung*, while the third section is devoted to a summarization and a conclusion as to the position and future of Anglo-Saxon ideals in the contemporary world. The author is catholic in his use of examples to illustrate his points, quoting not only from political writers but from the works of economists, literary figures, reformers, and politicians as well. The result of his labor is to present a powerful picture of the meaning of our western culture, its defects and its virtues, and the means by which it may be preserved. Ultimate salvation of Anglo-Saxon ideas seems, to the author,

to lie in a federation of the Anglo-Saxon countries, followed in time, it is to be hoped, by a world federation built on the traditions and principles of Western liberalism. Although the work was completed before the European blitzkrieg reached its full proportions, it was written in the period immediately preceding that event and its timeliness cannot, therefore, be over-estimated. Anyone who reads it will understand better than before the reason why men fight in England today. In a sense the work is "propaganda," but it is propaganda in a good cause, in a cause which all liberals must support lest they too perish from the earth.

The University of Texas

H. MALCOLM MACDONALD

Cottrell, W. Fred, *The Railroader*. (Stanford University: Stanford University Press, 1940, pp. ix, 145.)

The question to be answered in this book is: "What effect does railroading have upon the lives of the railroad man and his family?" The author grew up in a railroad family, has worked for a railroad, and is now Associate Professor of Sociology at Miami University.

In considering the general characteristics of railroading, attention is centered upon the men in the operating, mechanical, and maintenance of way departments. Employees of the legal and financial departments, traffic department representatives, and clerks in the general offices are considered to be outside of the "real railroader" class. In this account of the railroaders, we are told that the urbanism of these men is heightened by their mobility. Although railroad men enter into the life of every community with which they come into contact, "they bring with them different standards and a different set of values, morals, and beliefs. . . . This mobility accentuated the difficulties of marital adjustment allowances by the 'time dependency' factor."

The author says that railroad men are not likely to participate in the civic affairs of a community from which they may be moved at any time, and that this fact sometimes produces hostility on the part of the civic volunteers who can't understand why the railroaders won't become interested in improvement programs.

The importance of time in the life of the railroad man is given a separate chapter, and many illustrations are given to show how "he lives by his watch." There is a discussion of the effect of income on status, and the writer says that railroaders are, for the most part, doubtful as to where they stand in the community as compared with non-railroaders. He goes on to say, however, that the order of status among the group itself is about as follows: Big Four (engineers, conductors, trainmen, and firemen); other transportation units; machinists and boilermakers; car-men; bridge and building men; and lowest of all, section men and laborers. (p 95)

The latter part of the volume has to do with railroad language, and there is a glossary.

The style in which the book is written is, in general, clear and concise. There are some expressions, however, which might mean something to a sociologist but nothing to a railroad man as for example: *in-group*, *we-group*, *time-dependency factor*, *functional-group*, *place-group*; and this sentence, "the organic pattern of physiologic rhythm is broken into unequal intervals with resulting psychological strain, intensifying anti-social or unsocial relationships that might otherwise be disregarded."

What would Casey Jones say about that one?

North Texas Agricultural
College

A. B. ARMSTRONG

Newman, William H., *Business Policies and Management*. (Cincinnati, New York, Chicago, Dallas, San Francisco: South-Western Publishing Company, 1940, pp. 644.)

This book is said to have originated in an executive training class at Marshall Field & Company's retail store, is dedicated to the late James O. McKinsey, then chairman of that firm, and is apparently intended to present his views on managerial training and procedure.

In form we find here another illustration of the currently popular combination of principles and description on the one hand, and problems on the other. Twenty-six basic cases are found distributed among the 26 chapters of the volume. Incidentally, these cases are not listed in the front of the book, or elsewhere, for that matter, as far as this reviewer could see. It may be added that the profusion of photographs, almost entirely contributed by various American business enterprises, are neither numbered individually nor listed as a whole. This is not a material matter, perhaps, since the pictures are descriptive and largely self-explanatory. It is more difficult to understand the failure to present a table of illustrations for the occasional graphs, and the complete absence of a bibliography. The index seems very adequate.

Written with a curious sort of naïveté, one draws the impression that Newman has intended this book primarily for two markets, sale to institutions offering a single course in "business organization," or "business administration," and sale for educational training courses in private business. The weight of emphasis (and the reviewer does not regard this as necessarily a defect), is away from industrial organization and toward the management of merchandising enterprises. There are 4 chapters on sales policies, followed in order by 2 on procurement, 3 on finance, 6 on administrative and organizational problems, 3 on facilities, and 4 on control and planning techniques.

Highly descriptive, packed with "stories" and incidents, *Business Policies and Management* reads easily. A salute is due Professor Newman for his use of grinning provoking cartoons from various sources, including *The New Yorker*, to emphasize points.

In sum, this reviewer's reaction is as follows. It is not felt that *Business Policies and Management* will fit into the ordinary set-up of a department of busi-

ness management or business organization, where a sequence of courses are found. Davis, Cornell, Mitchell, Fernstrom, all seem to be better suited for the foundational upper-class course in such instances. Where an economic background is lacking, as is frequently the case where employees are given instruction, or where a single-volume course in general business is desired and it is conceivable that the instructor in charge of the course is not personally equipped as a specialist in the field of management, there should be a place for the Newman book. The continual weaving in of little descriptive instances should make this book popular with elementary students.

University of Oklahoma

RONALD B. SHUMAN

Salvemini, Gaetano, *Historian and Scientist*. (Cambridge: Harvard University Press, 1939, pp. viii, 203.)

Adding here and there to the text of lectures delivered at the University of Chicago, Professor Salvemini presents an interesting essay upon the writing of history. He makes no attempt to deal with the more technical points. His interest is essentially that of contrasting history with other social sciences, and especially those in which statistics may be usefully employed, as well as with the exact sciences.

The author's frank disavowal of unprejudice disposes of the recurring debate with those who regard the social sciences as "scientific." "I," writes Salvemini, ". . . declare that my mind is carpeted with biases—religious, philosophical, scientific, social, political, national, and even personal—and I constantly make use of my biases in my studies. I am not ashamed of this fact, because biases are not irreconcilable with scientific research." (Page 75).

Thus "good" history, and all social as well as exact sciences, derives in an honest craftsmanship. If the research data are powerful enough to annihilate the author's original bias, he should be sufficiently honest with his materials to do no more than make a respectable defense of it. Thereafter, he is free to formulate another hypothesis, one more in keeping with the materials from which he writes.

Another point should be remembered. The data from which historians write even their "good" history may well be fugitive in character. Here the original bias may be used to advantage, for it may serve to evaluate the materials. The mere presence of numerous data upon one side of any historical question is not proof of the absence of contradictory data. And, although preconceptions and presuppositions are not to be viewed as substitutes for proof, they, nevertheless, serve as convenient and effective bases for criticism of documents. Moreover, history, even "authoritative" history, must be always kept open to reinterpretations in conformity to the dominium of newly discovered data. Therefore, there can never, until the last historian passes from the scene, be any permanently authoritative history.

On the whole, this short volume depicts a veteran historian in honest reflection upon the products of his own and his colleagues' scholarship. There is no

pressing of points, and not much verve, but here is honest evaluation in sublimity.

University of Oklahoma

CORTEZ A. M. EWING

Baker, J. A., and Neely, J. G., *Land Tenure in Arkansas, I. The Farm Tenancy Situation*. (Agricultural Experiment Station Bulletin, No. 284, pp. 62.)

A small bulletin descriptive largely of "the farm tenancy situation in Arkansas," designed "to furnish such factual information concerning land as will afford a basis for greater public discussion and understanding of the problems associated with land tenure in Arkansas."

The first section embraces the traditional procedure of a tabular and cartographic presentation of facts in respect to the extent, growth, distribution, and general trends in tenancy by geographic areas, and by color and type of tenure in the state.

The second section deals with what are purported to be the "Economic and Social Characteristics of Farm Tenancy" suggesting a treatment of characteristics as set by certain institutional patterns and, possibly, an analysis of these characteristics with the view of examining the economic and social merits of tenancy. On the contrary, the section is limited to a more detailed picture of the system prevailing in four tenancy areas in the state, emphasizing primarily 1) the size of farms, 2) incomes, 3) landlord supervision, 4) credit practices, and 5) extent of the mobility of tenants.

The third and final section, deals with "Methods of Improvement." Discussion here is limited to 1) means of increasing owner-operation of farms, and 2) the improvement of land-lord-tenant relationships. With respect to ways of promoting home ownership, no mention is made of means other than long-term, low-rate government credit as instituted a few decades ago in Ireland and Denmark, and more recently in the United States under the Bankhead-Jones Tenant Purchase Act.

Improved landlord-tenant relationships are to be achieved through state legislation looking toward longer tenures, compensation for disturbance, and defining the rights of both tenant and landlord in respect to improvement of buildings or land, or compensation for damage to same.

On the whole, the bulletin would appeal primarily only to one interested in the particular situation in Arkansas.

The University of Texas

C. A. WILEY

Lundberg, George A., *Foundations of Sociology*. (New York: The Macmillan Company, 1939, pp. 556.)

Can social science achieve a state of development relatively equal to that of the physical sciences? Lundberg thinks so, provided science prevails over metaphysics and voodooism. He believes that the exploitation of the theories of be-

haviorism, or positivism, promise best results in attaining social efficiency and efficient social science comparable to efficiency in physics and chemistry.

He rests behaviorism upon the postulates acceptable to general science and reduces all data to "the responses of organisms-in-environment." This establishes the postulate of a world external to man and with man responding in it as his field of reality from which he gains knowledge as he develops symbols for orientations and measurements of responses. Other postulates basic to social science are presented, but their application to man's existence in groups give rise to problems of quantification the solution of which depends upon future scholarship well armed with symbolic systems and mathematical procedures. By this method it is expected that social science will produce laws comparable to those of the physical sciences.

Lundberg ably exposes the fallacies of the extremists who see only "absolute individuals" and proceeds firmly to establish the fact of group life in a scientific frame of reference which enables him to proceed into the fields of social dynamics and societal sectors under the following headings: societal processes, societal structures, and spacial and temporal aspects of society. However, each of these fields awaits the development of appropriate scales of measurement and some reorganization of terminology, symbolic system. On the whole, the tome is very timely, quite carefully done, an answer to the critical individualists, and a challenge to those who wish to aid in the many fields of suggested research.

Wichita University

ALBERT E. CROFT

Crossman, R. H. C., *Government and the Governed: A History of Political Ideas and Political Practice*. (New York: G. P. Putman's Sons, 1940, pp. x, 306.)

Mr. Crossman's book is a critical review of political ideas and practices from the founding of the nation state to the present day. Beginning with the mediaeval period, the narrative moves through Tudor Absolutism, the English, American, and French revolutions, the rise of industrialism, national liberalism, imperialism, and socialism, and terminates with a discussion and evaluation of contemporary Communist and Fascist state theories. Unlike many books of its kind, it does not suffer from academic pedantry, nor does it lose itself in a mass of minute detail, but rather it presents the historic evolution of men's theories about the state in terms of the effect these theories have had upon the political conditions of our own times. One is struck throughout the book by the compactness of the narrative and a certain happy facility for clear exposition which distinguishes so many of the products of English scholarship. The net result is a coherent survey of political ideas written in understandable language and constantly related to modern political problems. Of special value is Mr. Crossman's treatment of Locke and Hobbes, and the stress he lays upon the latter's synthesis of Renaissance ideas in the *Leviathan*. Occasionally the author makes statements which seem debatable such as: "Hegel . . . would have had relatively little importance in the history of political ideas, had Marx not been

his pupil" (pp. 219), but on the whole the work is a profound and reasoned statement of the development of men's justifications of political authority. The lack of such a book for the use of students beginning their study of political theory has long been felt and Mr. Crossman's work has thus filled a definite need. On the other hand, the more penetrating portions of the book and the brilliant summarizations which are scattered through it are a constant source of stimulation to the more advanced reader. In short Mr. Crossman has done a thoroughly good job in an eminently practical and modern manner.

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Book Notes

Both the first edition (1937) and the present revised edition of *Economics* by Fred Rogers Fairchild, Edgar Stevenson Furniss, and Norman Sydney Buck (New York: The Macmillan Company, 1940, pp. xxi, 828) are merely shortened versions of the authors' *Elementary Economics* comprising two volumes, and both one-volume editions are alike as to the topics treated and the general approach adopted. The plan of the revised edition is as follows: five introductory chapters are followed by eight dealing with the interaction of demand and supply in both competitive and imperfectly competitive markets. The authors then treat functional distribution—economic rent, interest, wages, and profits. This procedure seems highly commendable to the reviewer, who has always lamented the fact that most elementary textbooks explain the theories of distribution as though they were entirely divorced from price theory in general. The authors then treat, in turn, money, banking, public finance, business cycles, government regulation of monopolistic industry, interregional trade and international finance, protective tariffs, labor problems and labor legislation, socialism, communism, and Fascism. One chapter is devoted to government regulation of railroads in this country, but no space is given to more recent governmental experiences in regulating other public utilities. In fact, surprisingly little space is devoted to "New Deal" achievements, and reference is made to the N.R.A. only two or three times. This fact is not mentioned necessarily as criticism but rather as indicative of what may well prove to be characteristic of future introductory texts in economics. The reviewer finds that the greatest weakness of this book as a text for an introductory course in economics lies in the unrealistic account given of the principles of banking and corporate finance. In addition, he believes that a few theoretical issues are handled in such a way as to leave erroneous impressions with the student or to confuse his reasoning on certain economic principles.

W. C. S.

Graham's Gibbon is the title of a book recently printed privately by Dr. Malcolm K. Graham, banker, of Graham, Texas. Mr. Graham tells the reader in his Preface that, while rewriting and condensing Adam Smith's *Wealth of Nations*, he had ever recurring dreams of eliminating from the *Bible* "the meaningless genealogies, the repetitions, and the mass of detailed history." But another performed this task before he got to it, and then he turned to Gibbon's *Decline and Fall of the Roman Empire*, which had been placed on the shelves among the classical histories but which few people ever read. In trying to read it Mr. Graham found himself "lost . . . in a sea of words and names." The 2,800 pages of the Modern Library Edition of Gibbon he has condensed into 600 pages. Much of Gibbon he has quoted verbatim without quotation marks, so that even the reader who is familiar with Gibbon may find it difficult to tell whether he is reading Gibbon, or Graham-Gibbon, or Graham. The reader is

left in a state of uncertainty as to whether Mr. Graham did not know of William Smith's *Student's Gibbon* (561 pages, 1856), or did not think it worth reprinting, or wanted a still shorter edition—his is considerably more than fifty pages shorter. But the work is done and to the busy man who would like to know something of Gibbon but is repelled by the size of the original work, Mr. Graham's book is recommended. George Grote was a banker who wrote a twelve volume history of Greece. Although his work does not rank with that of Gibbon, it has endured. Possibly Banker Graham may some day think of condensing Banker Grote.

D. Y. T.

Documents and Readings in American Government, National and State (New York: The Macmillan Company, 1940, Revised Edition, pp. xx, 862), by J. M. Mathews and C. A. Berdahl will be welcomed alike by students and instructors. Of special value is the section on Colonial and Revolutionary origins, and on the constitutional development, material not often found in such detail in books of this character. Recent governmental documents of considerable interest are also included, among them being the Hague Case, Hatch Act, Ludlow Amendment, and the Philippine Constitution. Old documents not easily obtainable are also retained in this edition, such as the Northwest Ordinance, specimens of requests for extradition and so forth. Of use likewise are a series of reproductions of election ballots which are folded into the text. In collecting and editing the readings and documents equal stress has been laid by the authors upon State and Federal governmental problems, and in the opinion of this reviewer the result has been the production of one of the most useful books of its type in the field.

H. M. M.

The well known treatise of Professor Charles E. Merriam on *The American Party System*, first published in 1922, and revised in 1929 by Professors Merriam and Gosnell, appears in a new third edition as the joint product of the two authors (New York: The Macmillan Company, 1940, pp. xi, 476). The preface states that Professor Gosnell is responsible for four of the twenty chapters and that the remaining chapters are a joint revision and rewriting of the earlier editions. While the approach and interpretation are substantially that of the earlier editions, namely, an explanation of the dynamics and cohesive forces of parties, much new and up-to-date material has been added by way of illustration, footnotes, maps, and charts. The new edition has a scanty chapter on the history of the parties, but gives a more complete treatment of party machinery, both state and national, than the earlier editions. There are chapters on the influence of money in elections, voting and non-voting, the function of parties, and the future of parties. The new chapters and revisions make the work more suitable as a text.

L. A. D.

Publication of *A Private Journal of John Glendy Sproston, U. S. N.* (Tokyo: Sophia University, 1940, pp. xii, 122), ably edited by Dr. Shio Sakanishi of the Library of Congress, is welcomed by those who are interested in the Perry

expedition to Japan. Sproston kept the diary from February to August, 1854, describing, with a petty officer's point of view, visits to Japan, Formosa, and Manila. The volume includes a biographical introduction, the author's own sketches, an appendix of correspondence, a bibliography, and an index. This is one of the Monumenta Nipponica Monograph series; two journals of the same period of early American-Japanese relations will follow. One is entitled *An American Naval Officer's Experiences in Japan from 1855 to 1860* by Lieut. John M. Brooke; the third of this group is to be *A Scientist with the Perry Expedition to Japan: The Journal of Dr. James Morrow*, edited by the reviewer.

A. B. C.

In *Changing Aspects of Rural Relief*, Research Monograph XIV of the Division of Social Research of the Works Progress Administration (Washington: United States Government Printing Office, 1938, pp. xxiii, 238), we are presented with the most comprehensive statement of the rural relief problem so far completed. Following a brief historical resumé of the rural situation and the means undertaken to improve it, the volume presents in lucid detail the characteristics of the rural relief population. The headings utilized are: size and structure of households, age and sex, marital condition, education, employability composition and employment experience, and migration. Numerous maps and graphs are included.

C. M. R.

D. Appleton-Century Company has just published *The Clash of Political Ideals, A Source Book on Democracy, Communism, and the Totalitarian State* (New York: 1940, pp. xvii, 273), selected and annotated by Albert R. Chandler. It consists of short selections from a considerable variety of writings prefaced by short editorial notes. On the side of liberalism or democracy many widely separated oracles are invoked—Thucydides, the New Testament, Milton, Locke, Jefferson, Washington, Mill, Lincoln, Whitman, Hoover, and Dewey, as well as *The Federalist* and the French Declaration of Rights. Marx, Lenin, Stalin, Mussolini, and Hitler speak for the opposition. The "Spirit of Japan," Pius XI, and "American Aspirations in 1940" are added at the end for good measure.

O. D. W.

The Henry George School of Social Science has brought out the third edition of Max Hirsch's *Democracy versus Socialism* (New York, 1939, pp. xxx, 468). Only a new preface by the editor, Francis Neilson, is added to the prior edition. Those familiar with the viewpoint of the German-born Australian reformer will welcome the new edition. Hirsch was committed to the Georgist philosophy and is an opponent of Marxist Socialism. He fought for free trade and the single tax and is to be remembered as one of the great reformers of the mauve decade.

C. A. M. E.

The second edition of *Documents of American History*, edited by Henry Steele Commager (New York: F. S. Crofts & Co., 1940, pp. xxii, 642) is

not a revision of the 1934 edition, but rather an enlargement of that edition to bring the materials down to date. Important acts of Congress, party platforms, presidential messages and addresses, and judicial decisions constitute the bulk of the additions.

O. D. W.

M. Nelson McGeary's *The Development of Congressional Investigative Power* (New York: Columbia University Press, 1940, pp. 172) is a re-examination and up-to-date study of this important phase of congressional activity. The writer covers the purposes of investigations, procedure, results, and recent court decisions. He concludes with ideas concerning future developments.

O. .D. W.